PREMIUM RESOURCES LTD.

(FORMERLY PREMIUM NICKEL RESOURCES LTD.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025 and 2024

In accordance with generally accepted accounting principles in the United States and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission and stated in Canadian dollars, unless otherwise indicated

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PREMIUM RESOURCES LTD.

Unaudited Condensed Interim Consolidated Balance Sheets

(Expressed in Canadian dollars)

	Notes	As at	
		March 31, 2025	December 31, 2024
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	45,466,839	6,105,933
Prepaid expenses		491,265	540,288
Other receivables	4	738,374	972,022
TOTAL CURRENT ASSETS		**46,696,478**	**7,618,243**
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	9,029,319	8,846,821
Property, plant and equipment	6	8,055,668	8,488,405
TOTAL NON-CURRENT ASSETS		**17,084,987**	**17,335,226**
TOTAL ASSETS		**63,781,465**	**24,953,469**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities – current	7	6,781,524	3,893,216
Vehicle financing – current		137,059	136,935
DSU liability – current	10(e)	343,272	177,602
TOTAL CURRENT LIABILITIES		**7,261,855**	**4,207,753**
NON-CURRENT LIABILITIES			
Trade payables and accrued liabilities – non-current	7	438,273	584,364
Provision for leave and severance		1,078,516	1,001,936
Vehicle financing – non-current		79,395	109,202
Term Loan	8	-	18,983,212
NSR option liability	9	2,750,000	2,750,000
DSU liability – non-current	10(e)	587,568	764,062
TOTAL NON-CURRENT LIABILITIES		**4,933,752**	**24,192,776**
TOTAL LIABILITIES		**12,195,607**	**28,400,529**
SHAREHOLDERS' (DEFICIENCY) EQUITY			
Common Shares (no par value, unlimited Common Shares authorized; 428,986,474 issued and outstanding) (December 31, 2024 – 185,708,588)	10	-	-
Preferred shares	10	31,516	31,516
Additional paid-in capital		214,806,833	145,025,333
Deficit		(162,215,429)	(146,987,099)
Accumulated other comprehensive loss		(1,037,062)	(1,516,810)
TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY		**51,585,858**	**(3,447,060)**
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY		**63,781,465**	**24,953,469**

Nature of Operations and Going Concern (Note 1)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Approved by the Board of Directors on May 13, 2025.

"signed"
Morgan Lekstrom
Director and Chief Executive Officer

"signed"
Jason LeBlanc
Director

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Three months ended March 31, 2025 $	2024 $
EXPENSES			
General exploration expenses	5	6,135,777	6,714,459
Depreciation and amortization		635,828	364,228
General and administrative expenses	15	1,660,382	1,197,700
Investor relations and communications		209,398	74,704
DSUs granted	10(e)	-	281,249
Fair value movement of DSUs	10(e)	(10,824)	(226,602)
Net foreign exchange loss		251,425	66,014
LOSS FOR THE PERIOD BEFORE OTHER ITEMS		**8,881,986**	**8,471,752**
OTHER ITEMS			
Interest (income) expense, net		(64,461)	115,318
Interest expense and accretion on Term Loan	8	428,371	760,110
Loss on Term Loan extinguishment	8	5,982,434	-
NET LOSS FOR THE PERIOD		**15,228,330**	**9,347,180**
OTHER COMPREHENSIVE (INCOME) LOSS			
Exchange differences on translation of foreign operations		(479,748)	137,237
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**14,748,582**	**9,484,417**
Basic and diluted loss per share		**0.07**	**0.06**
Weighted average number of Common Shares outstanding – basic and diluted		**223,551,815**	**149,373,068**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

PREMIUM RESOURCES LTD.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

(Expressed in Canadian dollars)

	Notes	Number of shares	Preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive (loss) income	Total shareholders' (deficiency) equity
			$	$	$	$	$
BALANCE, DECEMBER 31, 2024		**185,708,588**	**31,516**	**145,025,333**	**(146,987,099)**	**(1,516,810)**	**(3,447,060)**
Net loss for the period		-	-	-	(15,228,330)	-	(15,228,330)
Share capital issued through private placement	10(a)	167,899,061	-	49,709,891	-	-	49,709,891
Share issue costs – private placement	10(a)	-	-	(5,389,306)	-	-	(5,389,306)
Share capital issued through debt conversion	8	75,378,825	-	26,594,817	-	-	26,594,817
Share issue costs – debt conversion	8	-	-	(2,161,483)	-	-	(2,161,483)
Share-based compensation	10(c)(d)	-	-	1,027,581	-	-	1,027,581
Exchange differences on translation of foreign operations		-	-	-	-	479,748	479,748
BALANCE, MARCH 31, 2025		**428,986,474**	**31,516**	**214,806,833**	**(162,215,429)**	**(1,037,062)**	**51,585,858**

	Notes	Number of shares	Preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive (loss) income	Total shareholders' (deficiency) equity
BALANCE, DECEMBER 31, 2023		**149,300,920**	**31,516**	**116,069,973**	**(104,566,816)**	**(1,788,987)**	**9,745,686**
Net loss for the period		-	-	-	(9,347,180)	-	(9,347,180)
Exercise of options, net		126,259	-	-	-	-	-
Share-based compensation		-	-	389,612	-	-	389,612
Exchange differences on translation of foreign operations		-	-	-	-	(137,237)	(137,237)
BALANCE, MARCH 31, 2024		**149,427,179**	**31,516**	**116,459,585**	**(113,913,996)**	**(1,926,224)**	**650,881**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Unaudited Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

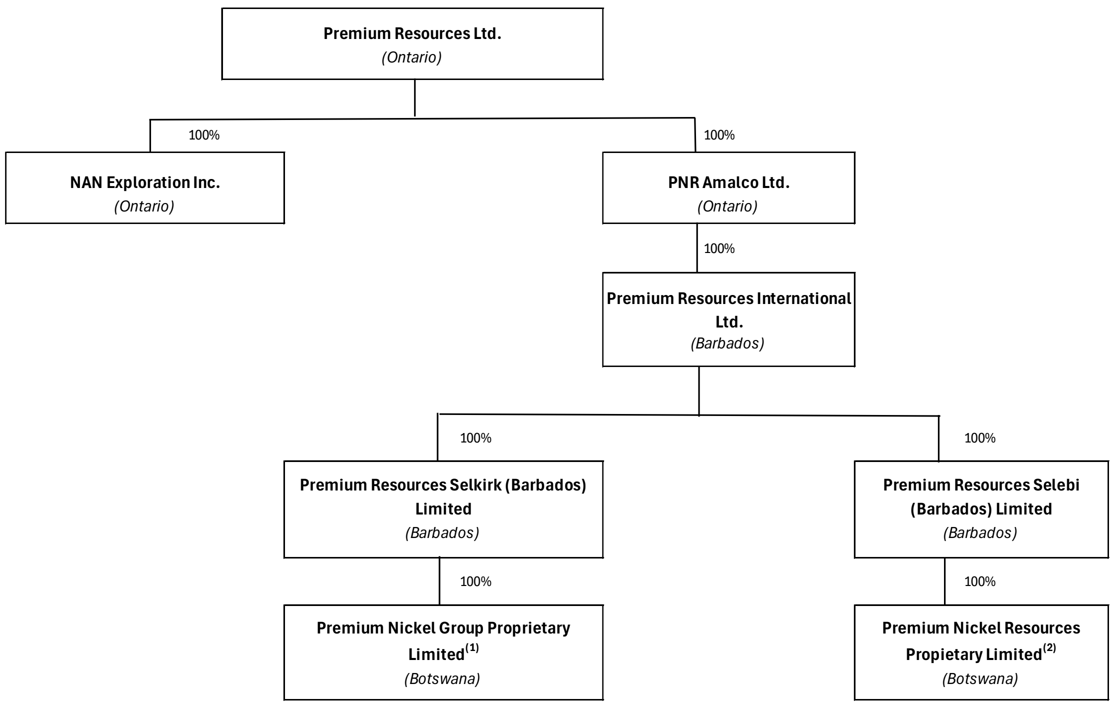
	Notes	Three months ended March 31, 2025 $	2024 $
OPERATING ACTIVITIES			
Net loss for the year		(15,228,330)	(9,347,180)
Items not affecting cash:			
DSUs granted	10(e)	-	281,249
Fair value movement of DSUs	10(e)	(10,824)	(226,602)
Share-based compensation	10(c)(d)	1,027,581	389,612
Depreciation	6	635,828	364,228
Provision for leave and severance		76,567	123,102
Accrued interest and accretion on loans		170,847	240,904
Accrued interest on lease liability		-	69,700
Loss on Term Loan extinguishment	8	5,982,434	-
Changes in non-cash working capital			
Prepaid expenses and other receivables		282,670	142,492
Trade payables and accrued expenses		768,263	(523,454)
Net cash used in operating activities		**(6,294,964)**	**(8,485,949)**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6	(50,033)	(1,051,902)
Net cash used in investing activities		**(50,033)**	**(1,051,902)**
FINANCING ACTIVITIES			
Proceeds from issuance of units	10(a)	46,000,000	-
Share issue costs	8	(397,250)	-
Vehicle loan repayments, net of financing		(34,518)	(24,840)
Lease payments		-	(329,635)
Net cash provided by (used in) financing activities		**45,568,232**	**(354,475)**
Effect of exchange rate changes on cash and cash equivalents		**137,671**	**13,519**
Change in cash and cash equivalents for the period		39,360,906	(9,878,807)
Cash and cash equivalents at the beginning of the period		6,105,933	19,245,628
Cash and cash equivalents at the end of the period		**45,466,839**	**9,366,821**
Supplemental cash flow information			
Income taxes paid		-	-
Interest paid		273,731	592,440

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Premium Resources Ltd. and its wholly-owned subsidiaries' (collectively, the "**Company**" or "**PREM**" and formerly Premium Nickel Resources Ltd.) principal business activity is the exploration and evaluation of PREM's flagship asset, the Selebi nickel-copper-cobalt sulphide mine in Botswana and, separately, the Company's Selkirk nickel-copper-cobalt-platinum group elements sulphide mine, also in Botswana. The common shares of PREM ("**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "PREM". Prior to November 20, 2024, the Company traded on the TSXV under its previous name and symbol, Premium Nickel Resources Ltd. and PNRL, respectively. In addition, the Common Shares are currently quoted on the OTC Pink Open Market under the symbol "PRMLF".

The following corporate structure chart sets out details of the direct and indirect ownership of the principal subsidiaries of the Company:



Notes:

(1) Premium Nickel Group Proprietary Limited owns the Selkirk Assets (as defined below).
(2) Premium Nickel Resources Proprietary Limited owns the Selebi Assets (as defined below).

The Company's head and registered office is located at One First Canadian Place, 100 King Street West, Suite 3400, Toronto, Ontario, Canada M5X 1A4.

The principal assets of the Company are the Selebi and Selebi North nickel-copper-cobalt ("**Ni-Cu-Co**") mines in Botswana and related infrastructure (together, the "**Selebi Mines**"), as well as the nickel, copper, cobalt, platinum-group elements ("**Ni-Cu-Co-PGE**") Selkirk mine in Botswana, together with associated infrastructure and four surrounding prospecting licences (collectively, the "**Selkirk Mine**" and together with the Selebi Mines, the "**Mines**").

Going Concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of exploration and development. These risks include the challenges of securing adequate capital for exploration and advancement of the Company's material projects, operational risks inherent in the mining industry, and global economic and metal price volatility, and there is no assurance management will be successful in its endeavors.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations and its ability to obtain adequate financing. The Company incurred a net loss of $15,228,330 for the three months ended March 31, 2025. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned evaluation, development and operational activities.

It is not possible to predict whether future financing efforts will be successful or if the Company will attain a profitable level of operations. These material uncertainties cast substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities and the reported expenses and comprehensive loss that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The properties in which the Company currently has an interest are in pre-revenue stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned activities and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. Further, the second instalment under the Selebi APA (defined in Note 5) of $35,940,000 (US$25,000,000) is due January 31, 2026.

On March 18, 2025, the Company closed a significant refinancing (Note 8 and Note 10). While this transaction will provide sufficient capital for the Company to fund operations in the near term, the Company will need further funding to support advancement of the Selebi Mines and the Selkirk Mine toward the development stage.

Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements reflect the accounts of the Company and have been prepared in accordance with generally accepted accounting principles in the United States ("**US GAAP**") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("**SEC**") for financial information.

Historically, the Company has prepared its financial statements under IFRS® Accounting Standards, as issued by the International Accounting Standards Board, for reporting as permitted by security regulators in Canada, as well as in the United States under the status of a foreign private issuer and a non-accelerated filer as defined by the SEC. In Fiscal 2024, the Company determined that it no longer qualified as a non-accelerated filer under the SEC rules, as the SEC rules apply to foreign private issuers. As a result, the Company elected to report with the SEC on domestic forms and comply with domestic company rules, which permit the Company to continue to avail itself of accommodations available to non-accelerated filers that file on domestic issuer forms. Consequently, the Company transitioned to preparing its financial statements using US GAAP for its SEC filing requirements.

The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024. The interim period results do not necessary indicate the results that may be expected for any other interim period or for the full fiscal year.

(b) Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, modified by the revaluation of any financial assets and financial liabilities where applicable. The preparation of these unaudited condensed interim consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from those estimates. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company as of March 31, 2025, and through the date of this report filing.

Operating segments are reported in a manner consistent with the internal reporting provided to executive management. The Company determined that it has one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, which are Canada, Barbados and Botswana (Note 13).

The Company's presentation currency is Canadian dollars. Reference herein of $ or CAD is to Canadian dollars, US$ or USD is to United States dollars, and BWP is to Botswana pula.

The significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2024. Except as described in Note 2(e) and (f), there were no changes in significant accounting policies during the three months ended March 31, 2025.

(c) Reclassification

Certain comparative figures on the unaudited condensed interim consolidated balance sheets, unaudited condensed interim consolidated statements of operations and comprehensive loss, unaudited condensed interim consolidated statements of cash flows, and the notes to the unaudited condensed interim consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications have no effect on net loss or shareholders' equity as previously reported. An adjustment has been made to reduce share-based compensation by $389,612 on the face of the unaudited condensed interim consolidated statement of operations and comprehensive loss, and to increase general and administrative expenses and general exploration expenses by $266,788 and $122,824, respectively, for the three months ended March 31, 2024. General and administrative expenses were reduced by $934,340 with an increase to general exploration expenses of $859,636 and investor relations and communications of $74,704 for the period ended March 31, 2024. Operating cash outflows of $966,806 attributable to the purchase of spares in the first quarter of 2024 were reclassified to investing cash outflows. Trade payables and accruals of $584,364 were reclassified from current to non-current for the year ended December 31, 2024.

(Expressed in Canadian dollars)

(d) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries as summarized in the table below. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Name of Entity	Place of Incorporation	Percentage Ownership	Functional Currency
Premium Resources Ltd.	Ontario, Canada		CAD
NAN Exploration Inc.	Ontario, Canada	100	CAD
PNR Amalco Ltd.	Ontario, Canada	100	CAD
Premium Resources International Ltd.	Barbados	100	USD
Premium Resources Selkirk (Barbados) Limited	Barbados	100	USD
Premium Resources Selebi (Barbados) Limited	Barbados	100	USD
Premium Nickel Group Proprietary Limited	Botswana	100	BWP
Premium Nickel Resources Proprietary Limited	Botswana	100	BWP

(e) Debt Extinguishment

Upon the extinguishment of debt, the difference between the amount paid on extinguishment, including miscellaneous costs of reacquisition, and the net carrying amount of the debt being extinguished, being the amount due at maturity, adjusted for unamortized premiums, discounts, and costs of issuance, is recognized as a gain or loss when the debt is extinguished. The fair value of the assets transferred or the fair value of an equity interest granted is used in accounting for the settlement of the debt unless the fair value of the debt being settled is more clearly evident.

Recently Adopted Accounting Pronouncements

(f) ASU 2023-09, Income Taxes: Improvements to Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board ("**FASB**") issued a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The Company adopted the new standard effective January 1, 2025, and will include certain additional disclosures in the notes to its consolidated financial statements for the year ending December 31, 2025.

Recently Issued Accounting Pronouncements and Disclosures Not Yet Adopted

(g) ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures

In November 2024, FASB issued an Accounting Standards Update ("**ASU**") which will require entities to provide disaggregated disclosure of specified categories of expenses that are included on the face of the income statement, including: purchases of inventory, employee compensation, depreciation, amortization and depletion. This ASU becomes effective January 1, 2027. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its consolidated financial statements.

(Expressed in Canadian dollars)

3. CASH AND CASH EQUIVALENTS

A summary of the Company's cash and cash equivalents is detailed in the table below:

	March 31, 2025 $	December 31, 2024 $
Cash	45,179,339	4,015,933
Short-term deposits	287,500	2,090,000
	45,466,839	**6,105,933**

The cash balance at March 31, 2025, includes the proceeds from the non-brokered private placement (Note 10) that closed on March 18, 2025.

4. OTHER RECEIVABLES

A summary of the Company's other receivables is detailed in the table below:

	March 31, 2025 $	December 31, 2024 $
HST paid on purchases	453,594	503,235
VAT paid on purchases	284,780	468,787
	738,374	**972,022**

5. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets of the Company consist of the acquisition costs of mining assets located in Botswana:

	Botswana		
	Selebi $	Selkirk $	Total $
Balance, December 31, 2023	8,285,523	309,275	8,594,798
Foreign currency translation	242,955	9,068	252,023
Balance, December 31, 2024	8,528,478	318,343	8,846,821
Foreign currency translation	175,932	6,566	182,498
Balance, March 31, 2025	**8,704,410**	**324,909**	**9,029,319**

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Botswana Assets - Selebi and Selkirk

In September 2021, the Company executed the Selebi Asset Purchase Agreement ("**Selebi APA**") with the BCL Limited ("**BCL**") liquidator to acquire the Selebi Mines formerly operated by BCL. In January 2022, the Company closed the transaction and ownership of the Selebi Mines transferred to the Company.

Pursuant to the Selebi APA, the aggregate purchase price payable to the seller for the Selebi Mines shall be the sum of $81,154,830 (US$56,750,000), which amount shall be paid in three instalments:

- $2,086,830 (US$1,750,000) payable on the closing date, and payment of care and maintenance funding contributions in respect of the Selebi Mines from March 22, 2021 to the closing date of $6,164,688 (US$5,178,747). These payments have been made.
- $35,940,000 (US$25,000,000) payable upon the earlier of: (a) approval by the Botswana Ministry of Mineral Resources, Green Technology and Energy Security ("**MMRGTES**") of the Company's Section 42 and Section 43 applications (for the further extension of the mining licence and conversion of the mining licence into an operating licence, respectively), and (b) January 31, 2026, the expiry date of the study phase.
- $43,128,000 (US$30,000,000) payable on the completion of mine construction and production start-up (commissioning) by the Company on or before January 31, 2030, but not later than four years after the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications.

The total acquisition cost of the Selebi Mines included the first instalment of $2,086,830 (US$1,750,000) and the payment of the care and maintenance funding contribution of $6,164,688 (US$5,178,747). As per the terms and conditions of the Selebi APA, the Company has the option to cancel the second and third payments and return the Selebi Mines to the liquidator if the Company determines that the Selebi Mines are not economical. The Company also has an option to pay in advance the second and third payments if the Company determines that the Selebi Mines are economical.

In addition to the Selebi APA, the purchase of the Selebi Mines is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter returns royalty (the "**Selebi NSR**") of 2% on the net value of sales of concentrate or other materials with respect to production from the Selebi mining licence, of which the Company has the right to buy-back 50% (Note 9). The contingent consideration agreement consists of two components: (i) a sliding scale payment of US$0.50/tonne of ore up to US$1.40/tonne of ore with respect to the discovery of new mineable deposits greater than 25 million tonnes of ore from a base case of 15.9 million tonnes, with a minimum grade of 2.5% nickel equivalent, accrued at the time of a decision to mine; and (ii) price participation of 15% on post-tax net earnings directly attributable to an increase of 25% or more in commodity prices, on a quarterly basis, for a period of seven years from the date of first shipment of concentrate or other materials.

The Company also negotiated a separate asset purchase agreement (the "**Selkirk APA**") with the liquidator of Tati Nickel Mining Company ("**TNMC**") in January 2022 to acquire the Selkirk deposit and related infrastructure formerly operated by TNMC. The transaction closed in August 2022.

The Selkirk APA does not provide for a purchase price or initial payment for the purchase of the assets. The acquisition cost of the Selkirk Mine of $327,109 (US$244,954) was the care and maintenance funding contribution from April 1, 2021, to the closing date of the Selkirk APA. The Selkirk APA provides that if the Company elects to develop the Selkirk Mine first, the payment of the second Selebi instalment of $35,940,000 (US$25,000,000) would be upon the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications (for the further extension of the Selkirk mining licence and conversion of the Selkirk mining licence into an operating licence, respectively). For the third Selebi instalment of $43,128,000 (US$30,000,000), if the Selkirk Mine were to be commissioned earlier than the Selebi Mines, the payment would trigger on the Selkirk Mine's commission date.

In addition to the Selkirk APA, the purchase of the Selkirk Mine is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter returns royalty (the "**Selkirk NSR**") of 1% on the net value of sales of concentrate or other materials with respect to production from the Selkirk mining licence, which the Company has the right to buy-back in full (Note 9). The contingent consideration agreement is on similar terms as the Selebi Mines contingent consideration.

In August 2023, the Company entered into a binding commitment letter with the liquidator of BCL, which is subject to customary closing conditions, to acquire a 100% interest in two additional deposits ("**Phikwe South**" and the "**Southeast Extension**") located adjacent to and immediately north of the Selebi North shaft. The impact is to increase the Selebi mining licence area. While the remaining historic resources at Phikwe South and the Southeast Extension occur within the expanded Selebi mining licence, the amended licence intentionally does not include the historic mine workings and infrastructure at these previously-producing properties, and the Company has no liability for historic environmental issues at those sites.

(Expressed in Canadian dollars)

The upfront cost to the Company to acquire these additional mineral properties is $1,437,600 (US$1,000,000). In addition, the Company agreed to additional work commitments of $7,188,000 (US$5,000,000) in the aggregate over four years. As a result of the expansion of the Selebi mining licence, the remaining asset purchase obligations of the Company outlined in the original Selebi APA with the liquidator will each increase by 10%, or $7,906,800 (US$5,500,000) in total, while the trigger events remain unchanged. The existing 2% NSR and contingent consideration agreement held by the liquidator with respect to production from the Selebi mining licence will also apply to production from these additional deposits, subject to the Company's existing buy-back right for 50% of the NSR (Note 9). The Company incurred $483,883 for care and maintenance during the investigation period of the properties in 2023, which has been added to the acquisition cost of the Selebi Mines. The acquisition of the Phikwe South and the Southeast Extension deposits has not yet closed as at May 13, 2025.

Both the Selebi Mines and Selkirk Mine are subject to a royalty payable to the Botswana Government of 5% of all precious metals sales and 3% of all base metals sales.

General Exploration Expenses

Details of the general exploration expenses by nature are presented as follows:

	Three months ended March 31, 2025			
	Selebi	**Selkirk**	**Other**	**Total**
	$	**$**	**$**	**$**
Drilling	684,092	-	-	684,092
Site operations, administration, and overhead	931,327	42,263	39,656	1,013,246
Infrastructure and equipment maintenance	710,929	-	-	710,929
Geology	567,974	26,535	-	594,509
Mine development	668,619	-	-	668,619
Electricity	863,913	4,356	-	868,269
Engineering and technical studies	842,773	11,679	-	854,452
Geophysics	226,810	-	-	226,810
Freight, tools, supplies, and other consumables	130,195	10,964	-	141,159
Health and safety	93,584	-	-	93,584
Environmental, social and governance	74,408	-	-	74,408
Share-based compensation	199,529	6,171	-	205,700
Total	**5,994,153**	**101,968**	**39,656**	**6,135,777**

	Three months ended March 31, 2024			
	Selebi	**Selkirk**	**Other**	**Total**
	$	**$**	**$**	**$**
Drilling	1,551,255	-	-	1,551,255
Site operations, administration, and overhead	1,184,260	102,992	48,033	1,335,285
Infrastructure and equipment maintenance	870,681	-	-	870,681
Geology	783,487	9,555	-	793,042
Mine development	667,569	-	-	667,569
Electricity	671,413	7,534	-	678,947
Engineering and technical studies	62,350	49,644	-	111,994
Geophysics	313,137	2,208	-	315,345
Freight, tools, supplies, and other consumables	132,370	-	-	132,370
Health and safety	44,013	-	-	44,013
Environmental, social and governance	91,134	-	-	91,134
Share-based compensation	98,260	24,564	-	122,824
Total	**6,469,929**	**196,497**	**48,033**	**6,714,459**

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

The tables below set out costs and accumulated depreciation and amortization as at March 31, 2025 and December 31, 2024:

Cost	Land and Buildings[(1)] $	Equipment[(1)] $	Furniture and Fixtures $	Vehicles $	Computer and Software $	Total $
Balance – December 31, 2023	**2,909,637**	**5,476,434**	**191,899**	**398,032**	**567,407**	**9,543,409**
Additions	73,049	1,129,567	30,121	111,629	6,543	1,350,909
Foreign currency translation	86,264	(22,306)	3,857	11,561	35,317	114,693
Balance – December 31, 2024	**3,068,950**	**6,583,695**	**225,877**	**521,222**	**609,267**	**11,009,011**
Additions	-	45,188	1,139	-	3,706	50,033
Foreign currency translation	63,308	114,340	3,595	10,753	12,611	204,607
Balance – March 31, 2025	**3,132,258**	**6,743,223**	**230,611**	**531,975**	**625,584**	**11,263,651**

Accumulated Depreciation	Land and Buildings[(1)]	Equipment[(1)]	Furniture and Fixtures	Vehicles	Computer and Software	Total
Balance – December 31, 2023	**170,256**	**401,409**	**19,079**	**106,083**	**145,948**	**842,775**
Depreciation during the year	110,535	1,229,847	14,750	113,688	162,644	1,631,464
Foreign currency translation	2,609	13,358	750	4,581	25,069	46,367
Balance – December 31, 2024	**283,400**	**1,644,614**	**34,579**	**224,352**	**333,661**	**2,520,606**
Depreciation during the period	14,809	329,812	10,936	32,864	247,407	635,828
Foreign currency translation	6,019	29,982	764	5,013	9,771	51,549
Balance – March 31, 2025	**304,228**	**2,004,408**	**46,279**	**262,229**	**590,839**	**3,207,983**

Carrying Value	Land and Buildings[(1)]	Equipment[(1)]	Furniture and Fixtures	Vehicles	Computer and Software	Total
Balance – December 31, 2024	**2,785,550**	**4,939,081**	**191,298**	**296,870**	**275,606**	**8,488,405**
Balance – March 31, 2025	**2,828,030**	**4,738,815**	**184,332**	**269,746**	**34,745**	**8,055,668**

Note:

(1) Land and Buildings contains the Syringa Lodge right-of-use ("**ROU**") asset and Equipment contains the drilling equipment supply agreement ROU asset. The Company obtained full title to these assets during the year ended December 31, 2024.

(Expressed in Canadian dollars)

7. TRADE PAYABLES AND ACCRUED LIABILITIES

A summary of trade payables and accrued liabilities is detailed in the table below:

	March 31, 2025 $	December 31, 2024 $
Amounts due to related parties (Note 11)	47,298	1,259,665
Trade payables	3,455,684	2,493,306
Accrued liabilities	1,742,861	724,609
Share issuance costs payable	1,973,954	-
Total	7,219,797	4,477,580
Less: current portion	6,781,524	3,893,216
Non-current portion	**438,273**	**584,364**

Included in trade payables at March 31, 2025 is $1,022,638 due to the Company's former Chief Executive Officer related to his retirement from the Company and is payable in equal monthly installments of $48,697 until December 31, 2026. For the year ended December 31, 2024, the corresponding amount of $1,168,729 was reported in amounts due to related parties.

Share issuance costs payable relates to various legal, listing and financing fees incurred as part of the March 2025 Financing (defined in Note 8).

8. TERM LOAN

The Company had a three-year term loan (the "**Term Loan**") with Cymbria Corporation ("**Cymbria**"), the lender and an affiliate of the Company's largest shareholder, EdgePoint Investment Group Inc. ("**EdgePoint**"), in the amount of $20,882,353 which bore interest at a rate of 10% per annum and was to mature on June 28, 2026.

On March 18, 2025, the Company closed a financing transaction (the "**March 2025 Financing**") which included a non-brokered private placement (Note 10) and the conversion of the Term Loan to equity (the "**Debt Conversion**").

The Company issued to Cymbria an aggregate of 69,607,843 units (each, a "**Settlement Unit**") at a deemed issue price of $0.30 per Settlement Unit in full satisfaction of the $20,882,353 principal amount outstanding under the Term Loan. Accrued interest under the Term Loan, up to the date of the Debt Conversion, in the amount of $268,896 was settled in cash. Each Settlement Unit consisted of one Common Share of the Company and one Common Share purchase warrant (each, a "**Settlement Warrant**") of the Company.

Each Settlement Warrant entitles the holder to acquire one additional Common Share of the Company at a price of $0.40 per Common Share until March 18, 2028. If, at any time prior to the expiry date, the volume-weighted average trading price of the Common Shares is at least $2.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the expiry date with 30 days' notice to the Settlement Warrant holders.

The fair value of the Common Shares issued as part of the Settlement Units was estimated at $17,727,018 and was determined by applying an implied discount for lack of marketability to the market observed price on the date of issuance. The fair value of the Settlement Warrants was estimated at $7,398,104 using a Monte Carlo model. The $5,982,434 difference between the fair value of the Settlement Units issued of $25,125,122 and the carrying amount of the Term Loan of $19,142,687 was recognized as a loss in the current period.

(Expressed in Canadian dollars)

The Monte Carlo model used to value the Settlement Warrants was based on the following assumptions:

	Settlement Warrants
Expected dividend yield	0%
Share price	$0.25
Expected share price volatility	81.8%
Risk free interest rate	2.57%
Expected life of warrant	3 years

The volatility was determined by calculating the historical volatility of the Company's share price over a 3-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns. The same implied discount for lack of marketability for purposes of the Common Shares valuation was also applied to the share price for the Settlement Warrants valuation.

In connection with the March 2025 Financing, the Company issued: (i) 4,000,000 Common Shares to TriView Capital Ltd. ("**TriView**") for its services as finder; (ii) 9,000,000 Common Shares to Fiore Management and Advisory Corp. ("**Fiore**") and 3,750,000 Common Shares to Bowering Projects Ltd. ("**Bowering**") for certain advisory services; and (iii) 3,586,709 Common Shares to a financial advisor for financial advisory services. The fair value of these shares was determined to be $5,179,586. In addition to the Common Shares, the Company incurred various legal, listing and financing fees payable in cash totalling $2,371,203. Certain of these fees were allocated between the non-brokered private placement (Note 10) and Debt Conversion transactions based on the value of the units issued under each transaction. As of March 31, 2025, the Company has made cash payments relating to these fees of $397,250.

All securities issued as part of the Debt Conversion are subject to a hold period expiring July 19, 2025, with the exception of the Common Shares issued to Fiore and Bowering which have a hold period expiring March 19, 2026.

The following is a continuity of the Term Loan:

	$
Term Loan balance, December 31, 2023	17,956,423
Accrued interest	2,082,530
Accretion of warrant value and transaction costs	1,026,789
Interest paid	(2,082,530)
Term Loan balance, December 31, 2024	18,983,212
Accrued interest	268,896
Accretion of warrant value and transaction costs	159,475
Interest paid	(268,896)
Debt Conversion	(19,142,687)
Term Loan balance, March 31, 2025	**-**

9. NSR OPTION

In 2023, Cymbria paid an aggregate of $2,750,000 ("**Option Payment**") to two subsidiaries of PREM to acquire a right to participate with such subsidiaries in the exercise of certain contractual rights. The Option Payment was allocated to PNRP and PNGP (defined below) for $2,500,000 and $250,000, respectively.

As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at December 31, 2024 and December 31, 2023 is $nil. The Option payment received in cash was recorded as a non-current liability.

PREM's indirect wholly-owned subsidiary Premium Nickel Resources Proprietary Limited ("**PNRP**") acquired the Selebi Mines in January 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 2% net smelter returns royalty on the Selebi Mines. PNRP has a contractual right to repurchase one-half of the Selebi NSR at a future time on payment by PNRP to the liquidator of $28,752,000 (US$20,000,000).

PREM's indirect wholly-owned subsidiary Premium Nickel Group Proprietary Limited ("**PNGP**") acquired the Selkirk Mine in August 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 1% net smelter returns royalty on the Selkirk Mine. PNGP has a contractual right to repurchase the entirety of the Selkirk NSR at a future time on payment by PNGP to the liquidator of $2,875,200 (US$2,000,000).

Each of PNRP and PNGP has agreed to grant Cymbria, in exchange for the Option Payment, an option to participate in any such repurchase of the applicable portion of its NSR from the relevant liquidator. Cymbria will, following the exercise of its option to participate in any such repurchase, acquire a 0.5% NSR royalty on the applicable property by paying an amount equal to one half of the repurchase price payable by PNRP or PNGP pursuant to the applicable NSR, less the Option Payment paid at closing pursuant to the relevant option agreement among Cymbria and PNRP or PNGP. Cymbria also has the right: (i) at any time following the date of any buyback exercise notice from PNRP and/or PNGP and prior to the first anniversary of sale of product, to terminate the option and receive from PNRP and/or PNGP a refund of the related option price paid by Cymbria; (ii) upon receipt from PNRP and/or PNGP of any termination, settlement or waiver of the buyback right or royalty agreement and prior to the first anniversary of sale of product, to exercise the option or terminate the option, and if terminated PNRP and/or PNGP shall refund the related option price paid by Cymbria; (iii) to exercise the option and compel PNRP and/or PNGP to exercise the buyback right at any time within the first nine months immediately following the first anniversary of sale of product and not less than 60 days prior to the date of exercise of the buyback right; and (iv) to require PNRP and/or PNGP to repurchase the option from Cymbria for an amount equal to the option price at any time commencing on the first anniversary of sale of product, provided PNRP and/or PNGP have not provided a buyback exercise notice or notice of any termination, settlement or waiver of the buyback right or royalty agreement to Cymbria.

Under the NSR option purchase agreements, Cymbria could acquire a 0.5% net smelter returns royalty on the Selebi Mines and Selkirk Mine upon payment of $11,648,154 (US$8,102,500) and $1,164,815 (US$810,250), respectively.

10. SHARE CAPITAL

The authorized capital of the Company comprises an unlimited number of Common Shares without par value and 20,000,000 Preferred Shares, issuable in series, of which 4,000,000 are authorized to be designated as Series 1 Convertible Preferred Shares.

There are currently 118,186 Series 1 Convertible Preferred Shares outstanding, without par value, which are convertible at a ratio of 9:1, to 13,131 Common Shares.

a) *Common Shares Issued and Outstanding*

Three months ended March 31, 2025

On March 18, 2025, the Company closed the March 2025 Financing which included a non-brokered private placement and the conversion of its $20,882,353 three-year Term Loan with Cymbria (Note 8).

The non-brokered private placement (the "**Private Placement**") consisted of issuing 153,333,334 units (each, a "**Private Placement Unit**") of the Company at a price of $0.30 per unit for aggregate gross proceeds of $46,000,000. Each Private Placement Unit consisted of one Common Share of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Private Placement Warrant**") of the Company. Each Private Placement Warrant entitles the holder to acquire one additional Common Share at a price of $0.55 per share until March 18, 2028.

In connection with the March 2025 Financing, the Company issued: (i) 4,000,000 Common Shares to TriView for its services as finder; (ii) 9,000,000 Common Shares to Fiore and 3,750,000 Common Shares to Bowering for certain advisory services;

(Expressed in Canadian dollars)

and (iii) 3,586,709 Common Shares to a financial advisor for financial advisory services. The fair value of these shares was determined to be $5,179,586. In addition to the Common Shares, the Company incurred various legal, listing and financing fees payable in cash totalling $2,371,203. Certain of these fees were allocated between the non-brokered private placement and Debt Conversion (Note 8) transactions based on the value of the units issued under each transaction. As of March 31, 2025, the Company has made cash payments relating to these fees of $397,250.

All securities issued under the Private Placement are subject to a hold period expiring July 19, 2025, with the exception of the Common Shares issued to Fiore and Bowering which have a hold period expiring March 19, 2026.

The fair value of the Common Shares issued under the Private Placement was estimated at $39,048,922 and was determined by applying an implied discount for lack of marketability to the market observed price on the date of issuance. The fair value of the Private Placements Warrants was estimated at $6,951,078 using the Black-Scholes Option Pricing Model.

The fair value of the Private Placement Warrants was calculated using the following assumptions:

	Private Placement Warrants
Expected dividend yield	0%
Share price	$0.25
Expected share price volatility	81.8%
Risk free interest rate	2.57%
Expected life of warrant	3 years

The volatility was determined by calculating the historical volatility of the Company's share price over a 3-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns. The same implied discount for lack of marketability for purposes of the Common Shares valuation was also applied to the share price for the Settlement Warrants valuation.

As at March 31, 2025, the Company had 428,986,474 Common Shares issued and outstanding (December 31, 2024 – 185,708,588).

Year ended December 31, 2024

During the year ended December 31, 2024, 126,259 Common Shares were issued for the net exercise of 278,100 options. In addition, 36,281,409 Common Shares were issued as a result of the following financing transactions:

On June 14, 2024, the Company closed the first tranche of a non-brokered private placement offering (the "**June 2024 Financing**"), pursuant to which the Company issued an aggregate 19,234,614 units of the Company (the "**June 2024 Units**") at a price of $0.78 per Unit for aggregate gross proceeds of $15,002,999. Each June 2024 Unit was comprised of one Common Share and one Common Share purchase warrant of the Company (each, a "**June 2024 Warrant**").

On June 21, 2024, the Company closed the second tranche of the June 2024 Financing and issued an additional 16,021,795 June 2024 Units at $0.78 per Unit for gross proceeds of $12,497,000.

Each June 2024 Warrant entitles the holder thereof to acquire one Common Share for a period expiring 60 months following the date of issuance (the "**Expiry Date**") at a price of $1.10 per Common Share. If, at any time prior to the Expiry Date, the volume-weighted average trading price of the Common Shares is at least $2.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the Expiry Date with 30 days' notice to the June 2024 Warrant holders.

(Expressed in Canadian dollars)

In connection with the June 2024 Financing, the Company issued 1,025,000 June 2024 Units (comprised of 1,025,000 Common Shares and 1,025,000 non-transferable June 2024 Warrants) to a financial advisor.

The fair value of the June 2024 Warrants, calculated using the Monte Carlo model, was estimated at $12,533,135. Gross proceeds raised of $27,499,999 and related issuance costs of $358,746 in cash, and the value of $1,087,755 for 1,025,000 June 2024 Units granted to the financial advisor were allocated to the Common Shares and the June 2024 Warrants based on relative fair values. The key inputs used in the Monte-Carlo model were as follows:

	June 14, 2024	June 21, 2024
Expected dividend yield	0%	0%
Share price	$0.81	$0.84
Expected share price volatility	83.17%	83.71%
Risk free interest rate	3.23%	3.30%
Expected life of warrant	5 years	5 years

The volatility was determined by calculating the historical volatility of stock prices of the Company over a 5-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

b) Warrants

The following summarizes Common Share purchase warrant activity:

	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number Outstanding	Weighted Average Exercise Price $	Number Outstanding	Weighted Average Exercise Price $
Outstanding, beginning of the year	42,526,857	1.15	6,891,099	1.50
Issued	146,274,510	0.48	36,281,409	1.10
Exercised	-	-	-	-
Expired	(221,448)	(1.75)	(645,651)	(2.05)
Outstanding, end of the period	**188,579,919**	**0.63**	**42,526,857**	**1.15**

At March 31, 2025, the Company had outstanding Common Share purchase warrants exercisable to acquire Common Shares as follows:

Warrants Outstanding	Warrants Exercisable	Expiry Date	Exercise Price $	Intrinsic Value $
6,024,000	6,024,000	June 28, 2026	1.44	-
20,259,614	20,259,614	June 14, 2029	1.10	-
16,021,795	16,021,795	June 21, 2029	1.10	-
76,666,667	76,666,667	March 18, 2028	0.55	-
69,607,843	69,607,843	March 18, 2028	0.40	2,088,235
188,579,919	**188,579,919**			

(Expressed in Canadian dollars)

c) Stock Options

The Company has a stock option plan (the "**Option Plan**") providing the authority to grant options to directors, officers, employees and consultants enabling them to acquire up to 27,100,000 Common Shares of the Company. Under the Option Plan, the exercise price of each option shall not be less than the discounted market price on the grant date and as approved by the Board of Directors of the Company. The options can be granted for a maximum term of ten years.

The following summarizes the option activity under the Option Plan:

	Three months ended March 31, 2025		**Year ended December 31, 2024**	
	Number Outstanding	**Weighted Average Exercise Price $**	**Number Outstanding**	**Weighted Average Exercise Price $**
Outstanding, beginning of the year	15,586,771	1.28	13,487,921	1.39
Granted	5,750,000	0.50	3,410,000	1.05
Exercised	-	-	(278,100)	(0.86)
Expired/cancelled	(753,000)	(0.93)	(1,033,050)	(2.01)
Outstanding, end of the period	**20,583,771**	**1.08**	**15,586,771**	**1.28**

The total intrinsic value of options exercised for the year ended December 31, 2024, was $149,405.

During the three months ended March 31, 2025, the Company granted an aggregate of 5,750,000 stock options to employees, directors, officers and consultants with a term of five years. The options have an exercise price of $0.50 per Common Share and vest as to one-half on the date of grant and the balance on the first anniversary of the date of grant.

During the year ended December 31, 2024, the Company granted an aggregate of 3,410,000 stock options to employees, directors, officers and consultants with a term of five years. The options have a weighted average exercise price of $1.05 per Common Share, with 3,235,000 vesting annually in equal thirds beginning on the date of grant, and 175,000 vesting immediately on the date of grant.

For the three months ended March 31, 2025, a total of $879,513 (three months ended March 31, 2024 – $389,612) was recorded as share-based compensation expense and credited to additional paid-in capital related to the Option Plan.

The fair value of stock options granted was calculated using the Black-Scholes Option Pricing Model. The volatility is determined using the historical daily volatility over the expected life of the options. The expected life of the options considers the contractual term of the options, as well as an estimate of the time to exercise. The Black-Scholes Option Pricing Model used the following assumptions:

	Three months ended March 31, 2025	**Year ended December 31, 2024**
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%
Expected share price volatility range	76.6-78.6%	74.2-79.8%
Weighted average expected share price volatility	77.6%	75.9%
Risk free interest rate	2.54%	2.91%-3.23%
Expected life of options	2.5-3.0 years	2.5-3.5 years

(Expressed in Canadian dollars)

Details of options outstanding as at March 31, 2025, are as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price $	Intrinsic Value $
240,000	240,000	August 19, 2025	0.45	-
3,320,100	3,320,100	January 26, 2026	0.39	132,804
425,000	425,000	February 25, 2026	1.60	-
1,106,700	1,106,700	September 29, 2026	0.91	-
998,794	998,794	October 25, 2026	2.00	-
1,949,900	1,949,900	January 20, 2027	2.40	-
3,383,277	1,127,759	August 8, 2028	1.75	-
3,110,000	1,036,667	August 14, 2029	1.10	-
300,000	216,667	December 4, 2029	0.49	-
5,750,000	2,875,000	March 18, 2030	0.50	-
20,583,771	**13,296,587**			

d) RSU Plan

The Company has a restricted share unit plan (the "**RSU Plan**") that enables the Company to grant RSUs to eligible participants upon approval by the Board of Directors. The maximum number of Common Shares that are issuable under the RSU Plan is 5,000,000 Common Shares. Upon settlement, the holder is entitled to receive one Common Share. The Company may elect, in its sole discretion, to settle the value of the RSUs in cash.

The number and terms of RSUs awarded will be determined by the Board of Directors from time to time and be based on the volume weighted average price on the TSXV for the last five trading days immediately preceding the grant date. The RSU grants are fixed and are not subject to vesting conditions other than service. The Company uses the fair value method of accounting for the recording of RSU grants, and the fair value of the RSUs was determined based on the closing price of the Company's Common Shares on the grant date.

During the three months ended March 31, 2025, the Company granted an aggregate of 3,175,000 RSUs to employees, directors, officers and consultants with each RSU vesting in full on the first anniversary of the date of grant.

During the year ended December 31, 2024, the Company granted an aggregate of 1,000,000 RSUs to employees, directors, officers and consultants with one-third of the RSU grant vesting on each of the first, second and third anniversaries of the date of grant.

The following is a continuity of the RSUs:

	Three months ended March 31, 2025		**Year ended December 31, 2024**	
	Number Outstanding	**Weighted Average Grant-Date Fair Value Per Award $**	**Number Outstanding**	**Weighted Average Grant-Date Fair Value Per Award $**
Outstanding, beginning of the year	1,000,000	0.60	-	-
Granted	3,175,000	0.41	1,000,000	0.60
Outstanding, end of the period	**4,175,000**	**0.45**	**1,000,000**	**0.60**

For the three months ended March 31, 2025, a total of $148,068 (three months ended March 31, 2024 – $nil) was recorded as share-based compensation expense and credited to additional paid-in capital related to the RSU Plan.

(Expressed in Canadian dollars)

e) DSU Plan

The Company has a deferred share unit plan (the "**DSU Plan**") that enables the Company to grant DSUs to eligible non-management directors upon approval by the Board of Directors. The DSUs credited to the account of a director may only be redeemed following the date upon which the holder ceases to be a director. Depending upon the country of residence of a director, the DSUs may be redeemed at any time prior to December 15th in the calendar year following the year in which the holder ceases to be a director and may be redeemed in as many as four installments. Upon redemption, the holder is entitled to a cash payment equal to the number of units redeemed multiplied by the five-day volume weighted average price of the Common Shares on that date. The Company may elect, in its sole discretion, to settle the value of the DSUs redeemed in Common Shares on a one-for-one basis, provided shareholder approval has been obtained on or prior to the relevant redemption date.

The following is a continuity of the DSUs:

	Number of Awards	Price[(1)] $	Fair Value $
DSUs outstanding at December 31, 2023	730,975	1.21	884,481
Granted	1,433,769	0.71	1,020,523
Fair value adjustment			(963,340)
DSUs outstanding at December 31, 2024	2,164,744	0.44	941,664
Granted	-	-	-
Fair value adjustment			(10,824)
DSUs outstanding at March 31, 2025	2,164,744	0.43	930,840
Less: current portion	798,308	0.43	343,272
Non-current portion	**1,366,436**	**0.43**	**587,568**

Note:

(1) For DSUs granted and outstanding, price represents the closing price of the Company's Common Shares on the grant date and balance sheet date, respectively. For DSUs redeemed, price represents the volume weighted average price on the TSXV for the last five trading days immediately preceding the redemption date.

During the three months ended March 31, 2025, the Company did not grant DSUs, and recorded a fair value adjustment gain of $10,824 on the outstanding DSUs. During the three months ended March 31, 2024, the DSU compensation, net of fair value adjustments, was $54,647.

The DSUs are classified as a derivative financial liability measured at fair value, with changes in fair value recorded in profit or loss. The fair value of the DSUs was determined based on the closing price of the Company's Common Shares on the respective balance sheet date. As at March 31, 2025, the Company reassessed the fair value of the DSUs at $930,840 and recorded the amount as a DSU liability (December 31, 2024 - $941,664).

11. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 7).

	March 31, 2025 $	December 31, 2024 $
Directors and officers of the Company	47,298	1,259,665
	47,298	**1,259,665**

(Expressed in Canadian dollars)

Included in the amounts due to related parties at December 31, 2024, is $1,168,729 due to the Company's former Chief Executive Officer related to his retirement from the Company and is payable in equal monthly installments of $48,697 until December 31, 2026. The former Chief Executive Officer was not considered a related party at March 31, 2025.

These amounts are unsecured, non-interest bearing and have 30-day fixed terms of repayment with the exception of the retirement payment, as noted above.

(a) Related party transactions

During 2024, EdgePoint and its affiliates, related parties of the Company, subscribed for 7,692,307 June 2024 Units as part of the June 2024 Financing. As of December 31, 2024, EdgePoint and its affiliates beneficially owned 23,833,224 Common Shares and 13,716,307 warrants, representing approximately 12.8% of the issued and outstanding Common Shares (approximately 18.8% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

In connection with the June 2024 Financing, certain insiders of the Company subscribed for an aggregate of 1,389,140 Units for gross proceeds of $1,083,529.

On March 18, 2025, the Company closed the March 2025 Financing which included the conversion of its Term Loan held by EdgePoint and its affiliates to equity (Note 8). The Company issued to EdgePoint and its affiliates an aggregate of 69,607,843 Settlement Units. As of March 31, 2025, EdgePoint and its affiliates beneficially owned an aggregate of 93,441,067 Common Shares and 83,324,150 warrants, representing approximately 21.8% of the outstanding Common Shares (approximately 34.5% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

In connection with the Private Placement (Note 10), certain insiders of the Company subscribed for an aggregate of 3,936,667 Private Placement Units for gross proceeds of $1,181,000.

For the three months ended March 31, 2025, the Company paid interest of $268,896 (three months ended March 31, 2024 - $519,206) to Cymbria and recognized a loss on the Debt Conversion of $5,982,434 (three months ended March 31, 2024 – $nil).

(b) Key management personnel are defined as members of the Board of Directors and certain senior officers.

Key management compensation was related to the following:

	Three months ended March 31,	
	2025	**2024**
	$	**$**
Salaries and management fees	196,104	256,491
Site operations and administration	426,914	583,037
DSUs granted, net of fair value movements	(10,824)	54,647
Share-based compensation	328,536	220,998
	940,730	**1,115,173**

(Expressed in Canadian dollars)

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820 - Fair Value Measurement establishes a three-tier fair value hierarchy. The fair value hierarchy's three tiers are based on the extent to which inputs used in measuring fair value are observable in the market, and are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: One or more significant inputs used in a valuation technique are unobservable in determining fair values of the asset or liability.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature and therefore have been excluded from the table below. A summary of the carrying value and fair value of other financial instruments were as follows:

		March 31, 2025		December 31, 2024	
	Classification	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
DSU liability	Level 1	930,840	930,840	941,664	941,664
Vehicle financing	Level 2	216,454	216,454	246,137	246,137
Term loan	Level 3	-	-	18,983,212	20,862,478
NSR option liability	Level 2	2,750,000	2,750,000	2,750,000	2,750,000

DSU liability – the fair value of the DSUs is measured using the closing price of the Company's Common Shares at the end of each reporting period.

Vehicle financing – The fair values approximate carrying values as the interest rates are comparable to current market rates.

Term loan – the term loan was carried at amortized cost. The fair value measurement of the term loan was based on an income approach.

NSR option liability – The fair value of the NSR options is determined using a valuation model that incorporates such factors as discounted cash flow projections, metal price volatility, and risk-free interest rate. As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at March 31, 2025 and December 31, 2024 is $nil.

13. SEGMENTED INFORMATION

The Company has identified its Chief Executive Officer as its Chief Operating Decision Maker ("**CODM**"). The CODM evaluates the Company's performance and segmented results based on Loss for the Period Before Other Items. The significant segment expenses reviewed by the CODM are consistent with the expense line items presented in Loss for the Period Before Other Items in the Company's unaudited condensed interim consolidated statements of operations and comprehensive loss. The CODM uses Loss for the Period Before Other Items to assess segment performance against the Company's planned results, and to allocate capital investment.

The Company operates in one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, being Botswana, Barbados and Canada. The Company's geographic segments are as follows:

(Expressed in Canadian dollars)

	March 31, 2025 $	December 31, 2024 $
Current assets		
Canada	41,731,641	4,066,121
Barbados	441,913	89,446
Botswana	4,522,924	3,462,676
Total	**46,696,478**	**7,618,243**
Exploration and evaluation assets		
Botswana	**9,029,319**	**8,846,821**
Property, plant and equipment		
Botswana	**8,055,668**	**8,488,405**

14. CONTINGENT LIABILITIES

There are no environmental liabilities associated with the Mines as at the acquisition dates as all liabilities incurred prior to the acquisitions are the responsibility of the sellers, BCL and TNMC. The Company has an obligation for the rehabilitation costs arising subsequent to the acquisitions. As of March 31, 2025, there were no material rehabilitation costs for which the Company expects to incur, and management is not aware of or anticipating any contingent liabilities that could impact the financial position or performance of the Company related to its exploration and evaluation assets.

15. GENERAL AND ADMINISTRATIVE EXPENSES

Details of the general and administrative expenses are presented in the following table:

	Three months ended March 31,	
	2025 $	2024 $
Advisory and consultancy	11,489	59,862
Filing fees	32,995	23,955
General office expenses	32,015	93,202
Insurance	76,478	85,180
Professional fees	265,513	135,480
Salaries and management fees	420,011	533,233
Share-based compensation	821,881	266,788
Total	**1,660,382**	**1,197,700**

Share-based compensation expense for the three months ended March 31, 2025, includes $551,721 related to the stock options granted on March 18, 2025 (Note 10), which vested as to one-half on the date of grant and the balance vesting on the first anniversary of the date of grant.

(FORMERLY PREMIUM NICKEL RESOURCES LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three Months Ended March 31, 2025

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May 13, 2025

Introduction

This Management's Discussion and Analysis (this "**MD&A**") dated May 13, 2025 is intended to supplement the unaudited condensed interim consolidated financial statements of Premium Resources Ltd. (the "**Company**" or "**PREM**" and formerly Premium Nickel Resources Ltd.) for the three months ended March 31, 2025 and 2024 (the "**Financial Statements**") and the related notes thereto, and to assist the reader to assess material changes in the financial condition and results of operations of the Company for such periods. The Company's presentation currency is Canadian dollars. Reference herein to $ or CAD is to Canadian dollars, US$ or USD is to United States dollars, and BWP is to Botswana pula. "This quarter", "the quarter", and "the current period" means the first quarter ("**Q1**") of 2025. The "prior year quarter" or "prior year period" means the three months ended March 31, 2024. On March 31, 2025, the daily exchange rate: (i) for one United States dollar expressed in Canadian dollars was US$1.00 = C$1.4376 (or C$1.00 = US$0.6956); (ii) for one Botswanan Pula expressed in Canadian dollars was BWP 1.00 = C$0.1039 (or C$1.00 = BWP 9.6246); and (iii) for one Botswanan Pula expressed in United States dollars was BWP 1.00 = US$0.0723 (or US$1.00 = BWP 13.8313).

The financial statements and the financial information contained in this MD&A were prepared in accordance with generally accepted accounting principles in the United States ("**US GAAP**").

In this MD&A, unless the context otherwise requires, references to the Company or PREM refer to Premium Resources Ltd. and its consolidated subsidiaries. All monetary amounts in the discussion are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "*Cautionary Note Regarding Forward Looking Statements*" below). All forward-looking information, including information not specifically identified herein, is made subject to cautionary language in this MD&A. Readers are cautioned to refer to the disclosure in this MD&A under the heading "*Cautionary Note Regarding Forward Looking Statements*" when reading any forward-looking information. This MD&A is prepared in accordance with Form 51-102F1 – *Management's Discussion and Analysis* adopted by the Canadian Securities Administrators and has been approved by the Board of Directors of the Company.

Readers are also encouraged to read the other public filings of the Company, which are available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile. Other pertinent information about the Company can be found on the Company's website (https://premiumresouces.com/).

Company Overview

PREM is a mineral exploration and evaluation company focused on the discovery and advancement of high-quality nickel-copper-cobalt-platinum group elements ("**Ni-Cu-Co-PGE**") resources. PREM is committed to governance through transparency, accountability, and open communication within PREM's team and stakeholders.

The Company's principal business activity is the exploration and evaluation of PREM's flagship asset, the Selebi nickel-copper-cobalt sulphide mine in Botswana and, separately, the Company's Selkirk nickel-copper-cobalt-platinum group elements sulphide mine, also in Botswana.

The Selebi and Selkirk mines are permitted with 10-year mining licences, granted in 2022, and renewable upon the submission of approved mine plans and other customary conditions, and benefit from significant local infrastructure. The Company's flagship Selebi mines include two operational shafts, the Selebi Main and Selebi North shafts and related infrastructure such as rail, power and roads (the "**Selebi Mines**"). The Selkirk mine together with related infrastructure is referred to herein as the "**Selkirk Mine**" and together with the Selebi Mines, the "**Mines**".

PREM is headquartered in Toronto, Ontario, Canada and is publicly traded on the TSX Venture Exchange (the "**TSXV**") under the symbol "PREM". Prior to November 20, 2024, the Company traded on the TSXV under its previous name and symbol, Premium Nickel Resources Ltd. and PNRL, respectively. In addition, the Company's common shares (the "**Common Shares**") are currently quoted on the OTC Pink Open Market under the symbol "PRMLF".

Summary of Activities

The Company has filed a Selkirk Mineral Resource Estimate ("**MRE**"), entitled "*NI 43-101 Technical Report, Selkirk Nickel Project, North East District, Republic of Botswana*" (the "**Selkirk Technical Report**") and dated January 8, 2025 (with an effective date of November 1, 2024) for the Selkirk Mine. The Selkirk MRE provides a solid foundation for advancing the Selkirk deposit to an economic study. The Selkirk Technical Report was filed on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile.

On March 18, 2025, PREM closed a significant recapitalization (the "**March 2025 Financing**") of the Company which included a $46.0 million non-brokered equity private placement (the "**Private Placement**") and the equity conversion of its $20.9 million three-year term loan (the "**Debt Conversion**") with Cymbria Corporation ("**Cymbria**"). The March 2025 Financing has resulted in the successful deleveraging of the Company's balance sheet and has provided the Company with the funds necessary to advance its new strategic direction.

The Company's strategic direction is aimed at rapidly demonstrating the size potential of the Selebi North and Selebi Main deposits. The Company is aggressively executing a carefully designed exploration drilling program at the Selebi Mines while concurrently finalizing metallurgical work to identify the optimal mineral processing method to consider in a future economic study. In addition, the Company is advancing the Selkirk Mine through low-cost initiatives and evaluating strategic opportunities to enhance its value.

The exploration and development strategy includes the Selebi Main surface drilling program to target a potential third horizon, Hinge drilling between the Selebi North and Selebi Main deposits, Selebi North underground ("**SNUG**") resource expansion drilling, underground development in Selebi North to facilitate drilling programs, and a surface drilling program at the Selkirk Mine.

The new strategy also includes advancing project economics through further metallurgical sampling and testing, the evaluation of XRT ("X-ray Transmission") ore sorting, and the evaluation of IDEON Technologies Inc. for purposes of 3D density mapping. For more information relating to the Company's new strategic direction, please see "*Exploration and Evaluation Activities*" below.

The Company has also strengthened its management team through the appointment of Morgan Lekstrom as the Company's new Chief Executive Officer. The Company's new strategic direction is also further supported by the addition of Frank Giustra and the Fiore Group as strategic advisors to the Company.

During the quarter, the Company announced the remaining results from its infill drill program at SNUG. The Selebi Main surface drilling progressed with the Company having extended historic drillholes by approximately 307 metres in 2 drill holes to-date. The SNUG Resource Expansion Drilling program also commenced, with approximately 2,222 metres in 3 holes drilled to-date. During the quarter, the Company intersected mineralization below the Selebi Mines MRE, confirming the down-plunge continuation of massive sulphides. These assay results will continue to be released as they are received and confirmed by the Company.

For more information relating to the contemplated activities and milestones on the Mines, please see "*Exploration and Evaluation Activities*" below.

Highlights and Key Developments

- On January 10, 2025, the Company filed the Selkirk Technical Report. For details of the Selkirk MRE, see "*Selkirk Mine, Botswana*" and the news release dated January 10, 2025 entitled *"Premium Resources Files NI 43-101 Technical Report: Initial Mineral Resource Estimate of 44.2 MT for the Selkirk Mine in Botswana*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On January 27, 2025, the Company reported significant assay results for two holes that were drilled outside of the Selebi MRE at Selebi North. For details, see the news release dated January 27, 2025 entitled *"Premium Resources Drills 14.20m of 5.14% CuEq or 2.49% NiEq Outside of Selebi North MRE and Provides Drilling Program Update*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On March 18, 2025, the Company closed a $46.0 million Private Placement and Debt Conversion. On March 20, 2025, Morgan Lekstrom was appointed as the Company's new Chief Executive Officer. For details, see the news release dated March 18, 2025 entitled "*Premium Resources Announces Closing of 46 Million Non-Brokered Equity Financing, Equity Conversion of $20.8 Million of Debt and New Strategic Advisors*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/). For a summary of the transactions, see "*Liquidity & Capital Resources — Financings*".

- On March 25, 2025, the Company announced the appointment of Chris Leavy to the board of directors (the "**Board of Directors**" or the "**Board**"). The Company also announced the retirement of William O'Reilly as a director of the Company. For details, see the news release dated March 25, 2025 entitled "*Premium Appoints Former Blackrock Senior Executive Chris Leavy to Board of Directors*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On April 10, 2025, the Company announced a new strategic direction for the Mines. For more information relating to the planned activities over the next six months, please see "*Exploration and Evaluation Activities*" below and the news release dated April 10, 2025 entitled *"Premium Resources High Impact Six Month Strategy Including Deep Drilling at Selebi*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On April 17, 2025, the Company announced additional high-grade assay results from resource reclassification drilling at SNUG. For details, see the news release dated April 17, 2025 entitled *"Premium Resources Infill Drilling at Selebi Delivers Grades Significantly Higher than Mineral Resource Estimate 27.55 Metres of 4.97% CuEq*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On April 24, 2025, the Company announced the appointment of André van Niekerk to the Board. The Company also announced the retirement of Don Newberry as a director of the Company. For details, see the news release dated April 24, 2025 entitled "*Premium Appoints Mining Finance Executive and Former Gatos Silver CFO Andre van Niekerk to the Board*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On May 1, 2025, the Company announced that it had successfully intersected mineralization at SNUG below the Selebi Mines MRE confirming the down-plunge continuation of massive sulphides. For details, see the news release dated May 1, 2025 entitled *"Premium Drills Significant Mineralized Step-Out at Selebi North*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

- On May 6, 2025, the Company announced that it has applied to list its common shares on the Nasdaq Capital Market. For details, see the news release dated May 6, 2025 entitled *"Premium Announces Intention to List on the NASDAQ and Provides Details for Upcoming Annual General & Special Meeting*", the full text of which is available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile and on the Company's website (https://premiumresources.com/).

Corporate Social Responsibility

The Company is committed to conducting its business in a socially responsible and sustainable manner, with a focus on environmental stewardship, health and safety, community engagement and ethical conduct. The Company has established policies and procedures in its *Code of Business Conduct and Ethics* to ensure compliance with applicable laws and regulations, as well as industry standards for responsible mining. PREM recognizes the importance of stakeholder engagement and works closely with local communities, indigenous groups and other stakeholders to ensure their concerns and perspectives are heard and addressed.

Exploration and Evaluation Activities

The following table outlines the key milestones, estimated timing and costs related to each of the Mines, based on the Company's reasonable expectations, intended courses of action and current assumptions and judgement, with information based as of March 31, 2025.

Key Milestones for Project	Expected Timing of Completion	Anticipated Costs
Exploration and Development		
Selebi Mines and Selkirk drill programs	Ongoing, costs to September 30, 2025	$5.9 million to $6.6 million
Selebi Mines underground development	Ongoing, costs to September 30, 2025	$1.8 million to $2.2 million
Capital expenditures(1)	Ongoing, costs to September 30, 2025	$2.8 million to $3.1 million
Studies		
Advancing project economics(2)	Ongoing, costs to September 30, 2025	$5.7 million to $6.4 million
Operating costs	Ongoing, costs to September 30, 2025	$6.2 million to $6.6 million

Notes:

(1) Includes drilling equipment, mobile equipment, and electrical and communications equipment in support of drill programs and underground development.
(2) Includes advancing project economics through further metallurgical sampling and testing, the evaluation of XRT ("X-ray Transmission") ore sorting, and the evaluation of IDEON Technologies Inc. for purposes of 3D density mapping.

Readers are cautioned that the above represents the opinions, assumptions and estimates of management considered reasonable at the date the statements are made and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those described above. See *"Cautionary Note Regarding Forward Looking Statements"*.

Selebi Mines, Botswana

The Selebi Mines were acquired on January 31, 2022, through an asset purchase agreement with the liquidator of BCL. Before giving effect to the future extension of the boundary of the Selebi mining licence discussed below under "*Contractual Obligations and Contingencies – Phikwe and Southeast Extension*", the Selebi Mines comprised a single mining licence covering an area of 11,504 hectares located near the town of Selebi Phikwe, approximately 150 kilometres southeast of the city of Francistown, and 410 kilometres northeast of the national capital Gaborone. The Selebi Mines include two operational shafts, Selebi Main and Selebi North, as well as all related surface (rail, power and roads) and underground infrastructure. The Selebi Main deposit began production in 1980 and Selebi North began production in 1990. Mining terminated at both operations in 2016 due to weak global commodity prices and a failure in the separate Phikwe smelter processing facility. The BCL assets were subsequently placed under liquidation in 2017.

In 2024, the Company filed a NI 43-101 technical report entitled "*NI 43-101 Technical Report, Selebi Mines, Central District, Republic of Botswana*" (the "**Selebi Technical Report**"), establishing an initial mineral resource estimate for the Selebi Mines. The Selebi Technical Report was filed on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile. The highlights of the Selebi Mines MRE, which information is supported by the Selebi Technical Report, is summarized in the table below:

Selebi Mines Mineral Resource Estimate, June 30, 2024

Classification	Deposit	Tonnage	Grade		Contained Metal	
		(Mt)	(% Cu)	(% Ni)	(000 t Cu)	(000 t Ni)
Indicated	Selebi North	3.00	0.90	0.98	27.1	29.5
	Total Indicated	**3.00**	**0.90**	**0.98**	**27.1**	**29.5**
Inferred	Selebi Main	18.89	1.69	0.88	319.2	165.5
	Selebi North	5.83	0.90	1.07	52.5	62.4
	Total Inferred	**24.72**	**1.50**	**0.92**	**371.7**	**227.9**

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the Selebi Technical Report. Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Exploration Activities

Selebi North

In 2023, an underground resource and exploration drilling program at Selebi North was initiated. The program was a combination of infill and exploration drilling to follow the extension of the mineralization down-dip and down-plunge. The Company reported the final assays from the 2023/2024 in-fill drill program on April 17, 2025. Supplementary infill drilling has been strategically moved into later work programs.

In March 2025, the Selebi North Underground Resource Expansion Drilling program commenced with one drill rig targeting Borehole Electromagnetic ("**BHEM**") plates located down-dip and down-plunge from the N3, N2, and South Limbs. During 2025 and up to the date of this report, the Company has drilled approximately 2,222 metres in 3 holes. During the quarter, drill hole SNUG-25-184 intersected mineralization 183 metres down-plunge from the Selebi Mines MRE. A BHEM survey in SNUG-25-184 identified strong off-hole responses, indicating both the South Limb and N2 zones remain open down-plunge.

Assays for a total of approximately 34,368 metres across 82 completed holes have not been accounted for in the Initial Selebi MRE. All core is sampled and sent to ALS Chemex in Johannesburg for analysis. All holes are surveyed with a gyro instrument and selected holes are surveyed with BHEM geophysical tools.

Selebi Main

The Company has implemented a surface drilling program at Selebi Main to investigate the potential of a third parallel mineralized horizon beneath the two known zones. The initial drill testing has been through the extension of historic drill holes, to target a large BHEM plate 150 to 200 metres beneath the Selebi Main resource. If successful, this program could lead to the discovery of a new mineralized horizon. These BHEM plates are situated outside the Initial MRE extents. During 2025 and up to the date of this report, the Company has extended historic drillholes by approximately 307 metres in 2 existing holes.

Selebi Hinge

A large drill capable of drilling to depths of 2,500 metres (NQ core) and kits for converting the two underground U5 drills into surface A5 drills are currently being mobilized from Canada. These are being mobilized for surfacing drilling of the Selebi Hinge, a drilling program targeting BHEM plates in the untested two-kilometre-long area between the Selebi North and Selebi Main deposits. These BHEM targets are situated down-dip and down-plunge of the Selebi Main resource and potentially represent additional mineralization between the two deposits.

Further information on assay results can be found in the Company's news releases which are available on the Company's website (https://premiumresources.com/) and on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile. Assay results will continue to be released as they are received and confirmed by the Company.

Studies

Metallurgical sampling and testing from Selebi flotation studies are ongoing. The Company has also begun evaluating XRT ore sorting, which could potentially have a significant impact on waste rock removal. This could in turn positively impact the head feed grade to the concentrate flowsheet, and has the potential to be applied at both the Selebi Mines and Selkirk Mine.

The Company has begun its evaluation of IDEON Technologies Inc., a Company that applies Muon Tomography to create 3D density maps of subsurface mineralization, with the goal of applying this technology at both the Selebi Mines and Selkirk Mine to identify potential areas of additional mineralization.

During the three months ended March 31, 2025, the Company incurred $5,944,153 (three months ended March 31, 2024 - $6,469,929) in exploration and evaluation expenditures on the Selebi Mines. The Company incurred $8,735,401 to acquire the Selebi Mines, and has incurred a further $75,240,729 in exploration and evaluation expenditures project-to-date as at March 31, 2025.

Outlook

The Company has outlined a multi-faceted exploration strategy aimed at expanding the mineral resource potential at the Selebi Mines. One drill is active on surface at Selebi Main with three drills being mobilized to the Selebi Hinge, and one drill is active underground at Selebi North.

The Selebi North Underground Resource Expansion Drilling program is expected to continue throughout the remainder of the year for further testing of the BHEM plates.

The Company is planning to further investigate the potential of a third parallel mineralized horizon at Selebi Main, with approximately 765 metres in 3 hole extensions over a period of 6 weeks.

The Selebi Hinge drilling offers a strategic opportunity for potential substantial resource expansion. Drilling is planned to target large BHEM plates located off the Selebi Main mine horizon and toward the Selebi North deposit. The Company intends to pre-collar the holes to a depth of up to 1,200 metres and bring in a more powerful drill to extend these holes to final target depths. These holes are planned to target a series of previously untested BHEM plates located down-dip and down-plunge of the Selebi Main resource. Drilling is expected to consist of approximately 12,500 metres in 6 holes over an estimated period of 7 months.

In addition to the drilling, the Company is advancing metallurgical studies. Flowsheet designs are nearing completion, taking into consideration the ongoing XRT ore sorting evaluations.

<u>Selkirk Mine, Botswana</u>

The Selkirk Mine was acquired in August 2022 through an asset purchase agreement with the liquidator of Tati Nickel Mining Company ("**TNMC**"). The Selkirk property consists of a single mining licence covering an area of approximately 14.6 square kilometres and four prospecting licences covering an area of approximately 126.7 square kilometres. The project is situated 28 kilometres south-east of the town of Francistown, and 75 kilometres north of the Selebi Mines. The four prospecting licences were renewed during the first quarter of 2025 and will expire March 31, 2027.

On January 10, 2025, the Company filed the Selkirk Technical Report on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile. The key highlights of the Selkirk MRE, which is supported by the Selkirk Technical Report, are summarized in the table below:

Selkirk Mine Mineral Resource Estimate, November 1, 2024

Classification	Tonnage	Grade				Contained Metal			
	(Mt)	(% Cu)	(% Ni)	(g/t Pd)	(g/t Pt)	(000 t Cu)	(000 t Ni)	(000 oz Pd)	(000 oz Pt)
Inferred	44.2	0.30	0.24	0.55	0.12	132	108	775	174

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the Selkirk Technical Report. Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Exploration Activities

The Selkirk MRE provides a solid foundation for advancing the Selkirk deposit to an economic study. It was prepared using results from 232 surface and 10 underground historical drillholes drilled between 2003 and 2016, five 2016 drillholes sampled by PREM in 2021, and 17 historical drillholes resampled in 2024. Analytical results from PREM re-sampling showed higher platinum group element values compared to historic results. Further, the Selkirk MRE was prepared under the conceptual processing scenario of producing two separate concentrates. Additional work on alternate processing options may result in higher recoveries. Cobalt, a potentially valuable by-product, has not been included in the Selkirk MRE as cobalt analyses are not consistently available throughout the deposit. Planned metallurgical studies will determine payability of cobalt at the Selkirk Mine.

During the first quarter of 2025, the Company continued its re-sampling program of historic drill core, targeting both resource expansion and reclassification in an updated MRE.

A surface drilling program is planned to commence in the second quarter of 2025 which will support the collection of samples for metallurgical test work and an updated MRE through twinning of historic holes and in-filling of identified gaps.

Studies

The Company has been exploring alternate processing options, including producing a lower grade nickel concentrate suitable for hydrometallurgical processing. Phase 1 hydrometallurgical test-work using the Platsol process began in late 2023 and was completed in 2024. Recoveries of all the payable metals (Ni, Cu, Co, Au, Pt and Pd) to the solution phase were very high (generally >99%) in the initial batch autoclave testing. The downstream processes have been tested at bench scale and, although it is not possible to precisely quantify final metal recoveries to saleable products until continuous, integrated piloting is completed, overall recoveries of all payable metals is expected to be >95% based on commercial experience of base metal hydrometallurgical plants. This study demonstrated that alternate processing options are potentially viable at Selkirk.

The surface drilling program that is expected to commence in the second quarter of 2025 will utilize HQ sized holes. These will facilitate the collection of metallurgical samples for flowsheet development and XRT ore sorting.

During the three months ended March 31, 2025, the Company incurred $101,968 (three months ended March 31, 2024 - $196,497) in exploration and evaluation expenditures on the Selkirk Mine. The Company incurred $327,109 to acquire the Selkirk Mine, and has incurred a further $3,160,470 in exploration and evaluation expenditures project-to-date as at March 31, 2025.

Outlook – Selkirk

The ongoing re-sampling program is expected to support an updated MRE through systematic analyses of PGE to augment the patchwork of PGE analyses in the historic database.

The surface drilling program that is expected to commence in the second quarter of 2025 will also support an updated MRE through twinning of historic holes and in-filling of identified gaps.

Other Properties

Canadian Nickel Projects - Sudbury, Ontario

Post Creek Property

The Post Creek property is located 35 kilometres east of Sudbury in Norman, Parkin, Alymer and Rathburn townships and consists of 64 unpatented mining claim cells, covering a total area of 847 hectares held by the Company. The Company acquired the property through an option agreement in April 2010, which was subsequently amended in March 2013. As at the date of this MD&A, the Company holds a 100% interest in the Post Creek property and is obligated to pay advances on a net smelter return of $10,000 per annum, which will be deducted from any payments to be made under the net smelter return.

The Post Creek property lies adjacent to the Whistle Offset Dyke Structure which hosts the past–producing Whistle Offset and Podolsky Cu-Ni-PGM mines. Post Creek lies along an interpreted northeast extension of the corridor containing the Whistle Offset Dyke and Footwall deposits and accounts for a significant portion of all ore mined in the Sudbury nickel district and, as such, represents favourable exploration targets. Key lithologies are Quartz Diorite and metabreccia related to offset dykes and Sudbury Breccia associated with Footwall rocks of the Sudbury Igneous Complex which both represent potential controls on mineralization.

No exploration work was completed in the first quarter of 2025 on the Post Creek Property. The claims have sufficient work credits to keep them in good standing until 2030. No material expenditures or activities are contemplated on the Post Creek property at this time.

Halcyon Property

The Halcyon property is located 35 kilometres northeast of Sudbury in the Parkin and Aylmer townships and consists of 62 unpatented mining cells for a total of 1,024 hectares. Halcyon is adjacent to the Post Creek property and is approximately two kilometres north of the producing Podolsky Mine of FNX Mining. The property was acquired through an option agreement and as at the date of this MD&A, the Company holds a 100% interest in the Halcyon property and is obligated to pay advances on a net smelter return of $8,000 per annum, which will be deducted from any payments to be made under the net smelter return.

No exploration work was completed in the first quarter of 2025 on the Halcyon Property. The claims are in good standing through 2030. No material expenditures or activities are contemplated on the Halcyon property at this time.

Maniitsoq Nickel-Copper-PGM Project, Southwest Greenland

In December 2024, the Company notified the Government of Greenland that it was relinquishing its licences effective immediately. The Company is expecting final approval from authorities pending the removal of remaining structures.

Selected Financial Information and Financial Position

The following amounts are derived from the Financial Statements, prepared in accordance with US GAAP.

In Canadian dollars, except number of shares outstanding	**Three months ended March 31,**	
Income Statement	**2025**	**2024**
Net loss	15,228,330	9,347,180
Weighted average number of Common Shares outstanding – basic and diluted	223,551,815	149,373,068
Basic and diluted loss per share	0.07	0.06
	As at	
Balance Sheet	**March 31, 2025**	**December 31, 2024**
Additional paid-in capital	214,806,833	145,025,333
Common Shares outstanding	428,986,474	185,708,588
Total assets	63,781,465	24,953,469
Current liabilities	7,261,855	4,207,753
Non-current financial liabilities[(1)]	79,395	19,092,414

Note:

(1) Non-current financial liabilities include the Term Loan and vehicle financing.

Net Loss

The net loss of $15,228,330 for the three months ended March 31, 2025 was higher by $5,881,150 compared to the prior year comparable period of $9,347,180, largely due to the loss on the Term Loan extinguishment of $5,982,434 and an increase in general and administrative expenses of $462,682 largely associated with stock options issued during the current period, partially offset by reduced general exploration expenses of $578,682 resulting from the pause of certain activities in the current period as part of cash conservation measures.

Total Assets

Total assets as at March 31, 2025 increased by $38,827,996 from the December 31, 2024 balance largely as a result of higher cash balances in the current period. During the quarter, the Company closed a Private Placement for aggregate gross proceeds of $46,000,000 (see "*Liquidity & Capital Resources — Financings*").

Current Liabilities and Non-Current Financial Liabilities

Current liabilities as at March 31, 2025 increased by $3,054,102 from December 31, 2024 due to: (i) an increase in trade payables as the Company deferred certain payments as part of cash conservation measures and; (ii) an increase in share issuance costs payable related to the March 2025 Financing. Non-current financial liabilities as at March 31, 2025 decreased by $19,013,019 from December 31, 2024 as the Company converted its existing Term Loan with Cymbria to equity as part of the March 2025 Financing.

Quarterly Results of Operations

All amounts in this table are expressed in thousands of Canadian dollars, except shares and per share amounts	**2025 1st Quarter**	**2024 4th Quarter**	**2024 3rd Quarter**	**2024 2nd Quarter**
Statement of Operations and Comprehensive Loss				
Net loss	15,228	11,275	12,005	9,793
Net loss per share - basic and diluted	0.07	0.06	0.06	0.06
Statement of Financial Position				
Cash	45,467	6,106	17,358	28,082
Total assets	63,781	24,953	37,292	47,534
Additional paid-in capital	214,807	145,025	144,789	143,875
Common Shares outstanding	428,986,474	185,708,588	185,708,588	185,708,588
Weighted average shares outstanding – basic and diluted	223,551,815	185,708,588	185,708,588	154,972,579

All amounts in this table are expressed in thousands of Canadian dollars, except shares and per share amounts	**2024 1st Quarter**	**2023 4th Quarter**	**2023 3rd Quarter**	**2023 2nd Quarter**
Statement of Operations and Comprehensive Loss				
Net loss	9,347	10,176	7,685	8,147
Net loss per share - basic and diluted	0.06	0.07	0.06	0.07
Statement of Financial Position				
Cash	9,367	19,246	8,853	21,608
Total assets	28,458	37,974	26,806	35,249
Additional paid-in capital	116,460	116,070	100,919	101,119
Common Shares outstanding	149,427,179	149,300,920	135,730,527	135,730,527
Weighted average shares outstanding – basic and diluted	149,373,068	138,475,825	135,730,527	121,283,186

Overall Performance and Results of Operations

As at the date of this MD&A, the Company has not earned revenue nor proved the economic viability of its projects. The Company's expenses are not subject to seasonal fluctuations or general trends other than factors affecting costs such as inflation and input prices. The Company's expenses and cash requirements will fluctuate from period to period depending on the level of activity at the projects, which may be influenced by the Company's ability to raise capital to fund these activities. Comparisons of activity made between periods should be viewed with this in mind. The Company's quarterly results may be affected by many factors such as timing of exploration activity, share-based compensation costs, capital raised, marketing activities and other factors that affect the Company's exploration and evaluation activities.

The following table summarizes the Company's operations for the three-month periods ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	**2024**
	$	**$**
EXPENSES		
General exploration expenses	6,135,777	6,714,459
Depreciation and amortization	635,828	364,228
General and administrative expenses	1,660,382	1,197,700
Investor relations and communications	209,398	74,704
DSUs granted	-	281,249
Fair value movement of DSUs	(10,824)	(226,602)
Net foreign exchange loss	251,425	66,014
LOSS FOR THE PERIOD BEFORE OTHER ITEMS	**8,881,986**	**8,471,752**
Interest (income) expense, net	(64,461)	115,318
Interest expense and accretion on Term Loan	428,371	760,110
Loss on Term Loan extinguishment	5,982,434	-
NET LOSS FOR THE PERIOD	**15,228,330**	**9,347,180**

- **General exploration expenses** decreased by $578,682 for the three months ended March 31, 2025 as the Company put drilling activities on hold mid-February 2025 through to the end of the quarter to conserve cash.

- **Depreciation** increased $271,600 for the three months ended March 31, 2025 due to the acceleration of depreciation on certain software assets.

- **General and administrative expenses** increased by $462,682 for the three months ended March 31, 2025. The Company granted 5,750,000 stock options during the current quarter which vested as to one-half on the date of grant and the balance vesting on the first anniversary of the date of grant. There were no stock options granted during the prior year comparable period.

- **DSUs granted, net of fair value movement,** or deferred share units, represents the Company's long-term incentive program compensation granted to directors of the Company, net of period-end mark to market adjustments. The decrease of $65,471 for the three months ended March 31, 2025 is a result of DSUs not being granted during the current period as the Company evaluates its board of directors' compensation plan.

- **Interest income and expense** represents interest income earned on cash and cash equivalent deposits and interest expense on the Company's vehicle financing and previous lease liabilities. Net interest income increased by $179,779 for the three months ended March 31, 2025. The final instalments on the drilling equipment and Syringa Lodge leases were paid subsequent to the first quarter of 2024, resulting in lower interest expense for the current period.

- **Interest expense and accretion on Term Loan** comprises the accrued interest on the Company's now extinguished Term Loan (see "*Liquidity & Capital Resources – Financings*" below), as well as the accretion of related transaction costs and fees. The decrease of $331,739 for the three months ended March 31, 2025 relates to the Term Loan being converted to equity during the first quarter of 2025.

- **Loss on Term Loan extinguishment** represents the difference between the fair value of the Settlement Units (defined in "*Liquidity & Capital Resources – Financings*") issued and the carrying amount of the Term Loan on the date it was converted to equity.

Cash Flows

The following table summarizes the Company's cash flows:

	Three months ended March 31,	
	2025	**2024**
	$	**$**
Cash flows		
Operating activities	(6,294,964)	(8,485,949)
Investing activities	(50,033)	(1,051,902)
Financing activities	45,568,232	(354,475)
Increase (decrease) in cash and cash equivalents before effects of exchange rate changes	39,223,235	(9,892,326)
Effect of exchange rate changes on cash and cash equivalents	137,671	13,519
Change in cash and cash equivalents for the period	**39,360,906**	**(9,878,807)**
Cash and cash equivalents at the beginning of the period	6,105,933	19,245,628
Cash and cash equivalents at the end of the period	**45,466,839**	**9,366,821**

Operating Activities

Net cash used in operating activities for the three months ended March 31, 2025, decreased by $2,190,985 compared to the prior year comparable period resulting from: (i) a reduction in general exploration expenses as the Company put drilling activities on hold mid-February 2025 through to the end of the quarter to conserve cash; (ii) positive changes in non-cash working capital resulting from an increase in trade payables as the Company deferred certain payments as part of cash conservation measures; and (iii) lower interest payments on the Term Loan.

Investing Activities

Key investing activities relate to the acquisition of property, plant and equipment. Net cash used in investing activities for the three months ended March 31, 2025 decreased by $1,001,869 compared to the prior comparable period. The higher spending in the 2024 comparable period primarily relates to the acquisition of capital spares and critical spares for existing equipment on-site.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2025 increased by $45,922,707 compared to the prior year comparable period. During the current period, the Company closed a Private Placement for gross proceeds of $46,000,000 (see "*Liquidity & Capital Resources - Financings*"). The Company did not execute any financing transactions during the prior year comparable period.

Liquidity & Capital Resources

The Company, being in the exploration and evaluation stage, is subject to risks and challenges similar to companies in a comparable stage of exploration and evaluation. These risks include the challenges of securing adequate capital for exploration and advancement of the Company's material projects, operational risks inherent in the mining industry, and global economic and metal price volatility. There is no assurance management will be successful in its endeavors.

The properties in which the Company currently has an interest are in the pre-revenue stage. Operating cash outflows are highly dependent upon the exploration and evaluation programs taking place at that time. As such, the Company is dependent on external financing to fund its activities and the advancement of its projects. In order to carry out the planned project advancement and cover administrative costs, the Company will need to use its existing working capital and raise additional amounts as needed.

As at March 31, 2025, the Company had $45,466,839 in available cash (December 31, 2024 – $6,105,933), with no source of operating cash flows, nor any significant credit lines in place. As at March 31, 2025, the Company had working capital (calculated as total current assets less total current liabilities) of $39,434,623 (December 31, 2024 – $3,410,490). The increase in working capital is a result of the cash proceeds received from the Private Placement.

Financings

2025

On March 18, 2025, the Company closed a financing transaction which included a non-brokered private placement and the conversion into equity of its $20,882,353 three-year Term Loan with Cymbria, the lender and an affiliate of the Company's largest shareholder, EdgePoint Investment Group Inc. ("**EdgePoint**"), which bore interest at a rate of 10% per annum.

The Company issued to Cymbria an aggregate of 69,607,843 units (each, a "**Settlement Unit**") at a deemed issue price of $0.30 per Settlement Unit in full satisfaction of the $20,882,353 principal amount outstanding under the Term Loan. Accrued interest under the Term Loan, up to the date of the Debt Conversion, in the amount of $268,896 was settled in cash. Each Settlement Unit consisted of one Common Share of the Company and one Common Share purchase warrant (each, a "**Settlement Warrant**") of the Company.

Each Settlement Warrant entitles the holder to acquire one additional Common Share of the Company at a price of $0.40 per Common Share until March 18, 2028. If, at any time prior to the expiry date, the volume-weighted average trading price of the Common Shares is at least $2.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the expiry date with 30 days' notice to the Settlement Warrant holders.

The Private Placement consisted of issuing 153,333,334 units (each, a "**Private Placement Unit**") of the Company at a price of $0.30 per unit for aggregate gross proceeds of $46,000,000. Each Private Placement Unit consisted of one Common Share of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Private Placement Warrant**") of the Company. Each Private Placement Warrant entitles the holder to acquire one additional Common Share at a price of $0.55 per share until March 18, 2028.

In connection with the March 2025 Financing, the Company issued: (i) 4,000,000 Common Shares to TriView Capital Ltd. ("**TriView**") for its services as finder; (ii) 9,000,000 Common Shares to Fiore Management and Advisory Corp. ("**Fiore**") and 3,750,000 Common Shares to Bowering Projects Ltd. ("**Bowering**") for certain advisory services; and (iii) 3,586,709 Common Shares to a financial advisor for financial advisory services. In addition to the Common Shares, the Company incurred various legal, listing and financing fees payable in cash totalling $2,371,203. As of March 31, 2025, the Company has made cash payments relating to these fees of $397,250.

As at March 31, 2025, the Company has expended $553,704 of the Private Placement net proceeds. While the Company has arranged this additional financing, the proceeds are intended for the advancement of exploration and evaluation activities at the Mines and for general corporate and working capital purposes. Subject to any changes in the Company's operational plan, this transaction will provide the Company with the funds required to advance its planned activities and cover administrative costs into the first quarter of 2026. Therefore, the Company will need to arrange additional financing to meet its commitments under the asset purchase agreements (see "*Contractual Obligations and Contingencies*").

2024

In June of 2024, the Company closed two tranches of a non-brokered private placement offering of units of the Company, pursuant to which the Company issued a total of 35,256,409 units at a price of $0.78 per unit for gross proceeds of approximately $27.5 million (the "**June 2024 Financing**"). Each unit was comprised of one Common Share and one Common Share purchase warrant. As at March 31, 2025, the Company has expended all the June 2024 Financing.

Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. Factors that could affect the availability of financing include the progress and results of ongoing exploration and evaluation activities at the Mines, the state of international debt and equity markets, and investor perceptions and expectations with respect to global commodity markets. If necessary, depending on the amount of funding raised, the Company may explore opportunities to defer the timing of certain discretionary expenditures and the Company's planned initiatives and other work programs may be postponed, or otherwise revised.

Going Concern

The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations and its ability to obtain adequate financing. The Company incurred a net loss of $15,228,330 for the three months ended March 31, 2025 (three months ended March 31, 2024 - $9,347,180). To date, the Company has not generated profitable operations from its resource activities. It is not possible to predict whether future financing efforts will be successful or if the Company will attain a profitable level of operations. These material uncertainties cast substantial doubt about the Company's ability to continue as a going concern. The accompanying unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and the reported expenses and comprehensive loss that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material. In assessing whether a going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the date of this report.

Contractual Obligations and Contingencies

As of March 31, 2025, the Company had commitments for capital expenditures over the next 12 months of $1,062,094 and the following other contractual obligations and commitments:

Selebi Mines

As per the Selebi APA, the aggregate purchase price payable to the seller for the Selebi Mines is the sum of US$56,750,000 which amount shall be paid in three instalments:

- US$1,750,000 payable on the closing date, and payment of care and maintenance funding contributions in respect of the Selebi Mines from March 22, 2021, to the closing date of US$5,178,747. These payments have been made.

- US$25,000,000 upon the earlier of: (i) approval by the Botswana Ministry of Mineral Resources, Green Technology and Energy Security ("**MMRGTES**") of the Company's Section 42 and Section 43 applications (for the further extension of the mining licence and conversion of the mining licence into an operating licence, respectively); and (ii) January 31, 2026, the expiry date of the study phase.

- The third instalment of US$30,000,000 is payable on the completion of mine construction and production start-up by the Company on or before January 31, 2030, but not later than four years after the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications.

As per the terms and conditions of the Selebi APA, the Company has the option to cancel the second and third payments and return the Selebi Mines to the liquidator if the Company determines that the Selebi Mines are not economical. The Company also has an option to pay in advance the second and third payments if the Company determines that the Selebi Mines are economical. The Company's accounting policy is to measure and record contingent consideration when the conditions associated with the contingency are met. As of March 31, 2025, none of the conditions of the second and third instalments have been met, hence these amounts are not accrued in the Financial Statements.

In addition to the Selebi APA, the purchase of the Selebi Mines is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter royalty ("**NSR**") of 2% on the net value of sales of concentrate or other materials with respect to production from the Selebi mining licence, of which the Company has the right to buy-back 50%. The contingent consideration agreement consists of two components: (i) a sliding scale payment of US$0.50/tonne of ore up to US$1.40/tonne of ore with respect to the discovery of new mineable deposits greater than 25 million tonnes of ore from a base case of 15.9 million tonnes, with a minimum grade of 2.5% nickel equivalent, accrued at the time of a decision to mine; (ii) price participation of 15% on post-tax net earnings directly attributable to an increase of 25% or more in commodity prices, on a quarterly basis, for a period of seven years from the date of first shipment of concentrate or other materials.

Both the Selebi Mines and Selkirk Mine are subject to a royalty payable to the Botswana Government of 5% of all precious metals sales and 3% of all base metals sales.

Phikwe South and the Southeast Extension

In August 2023, the Company announced that it had entered into a binding commitment letter with the liquidator of BCL to acquire a 100% interest in two additional deposits, Phikwe South and the Southeast Extension, located adjacent to and immediately north of the Selebi North historical workings. The acquisition of the Phikwe South and the Southeast Extension deposits is subject to customary closing conditions and has not yet closed as of May 13, 2025.

The upfront cost to the Company to acquire these additional mineral properties is US$1,000,000. In addition, the Company has agreed to additional work commitments of US$5,000,000 in the aggregate over four years. As a result of the extension of the Selebi mining licence, the remaining asset purchase obligations of the Company outlined in the Selebi APA will each increase by 10%, US$5,500,000 in total, while the trigger events remain unchanged. The existing 2% NSR and contingent consideration agreement held by the liquidator with respect to production from the Selebi mining licence will also apply to production from these additional deposits, subject to the Company's existing buy-back right for 50% of the NSR.

Selkirk Mine

In regard to the Selkirk Mine, the purchase agreement does not provide for a purchase price or initial payment for the purchase of the assets. The Selkirk purchase agreement provides that if the Company elects to develop Selkirk first, the payment of the second Selebi instalment of US$25 million would be due upon the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications (for the further extension of the Selkirk mining licence and conversion of the Selkirk mining licence into an operating licence, respectively). For the third Selebi instalment of US$30 million, if Selkirk were commissioned earlier than Selebi, the payment would trigger on Selkirk's commission date.

In addition to the Selkirk purchase agreement, the purchase of the Selkirk Mine is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of an NSR of 1% on the net value of sales of concentrate or other materials with respect to production from the Selkirk mining licence, which the Company has the right to buy-back in full. The contingent consideration agreement is on similar terms as the Selebi Mines contingent consideration.

NSR Option

The Company received $2,750,000 (the "**Option Payment**") from Cymbria for their right to participate in the Company's right to repurchase one-half of the Selebi NSR and the entirety of the Selkirk NSR. Cymbria also has the right: (i) at any time following the date of any buyback exercise notice from PNRP and/or PNGP and prior to the first anniversary of sale of product, to terminate the option and receive from PNRP and/or PNGP a refund of the related option price paid by Cymbria; (ii) upon receipt from PNRP and/or PNGP of any termination, settlement or waiver of the buyback right or royalty agreement and prior to the first anniversary of sale of product, to exercise the option or terminate the option, and if terminated PNRP and/or PNGP shall refund the related option price paid by Cymbria; (iii) to exercise the option and compel PNRP and/or PNGP to exercise the buyback right at any time within the first nine months immediately following the first anniversary of sale of product and not less than 60 days prior to the date of exercise of the buyback right; and (iv) to require PNRP and/or PNGP to repurchase the option from Cymbria for an amount equal to the option price at any time commencing on the first anniversary of sale of product, provided PNRP and/or PNGP have not provided a buyback exercise notice or notice of any termination, settlement or waiver of the buyback right or royalty agreement to Cymbria.

Contingencies

There are no environmental liabilities associated with the Mines as at the acquisition dates as all liabilities incurred prior to the acquisitions are the responsibility of the sellers, BCL and TNMC. The Company has an obligation for the rehabilitation costs arising subsequent to the acquisitions. As of March 31, 2025, there were no material rehabilitation costs for which the Company expects to incur, and management is not aware of or anticipating any contingent liabilities that could impact the financial position or performance of the Company related to its exploration and evaluation assets.

The Company's exploration and evaluation assets are affected by the laws and environmental regulations that exist in the various jurisdictions in which the Company operates. It is not possible to estimate any future contingent liabilities and the impact on the Company's operating results due to future changes in the Company's development of its projects or future changes in such laws and environmental regulations.

Related Party Transactions

Related party transactions are summarized below and include transactions with the following individuals or entities:

Key management (defined as members of the Board of Directors and certain senior officers) compensation was related to the following:

	Three months ended March 31,	
	2025	**2024**
	$	**$**
Salaries and management fees	196,104	256,491
Site operations and administration	426,914	583,037
DSUs granted, net of fair value movements	(10,824)	54,647
Share-based compensation	328,536	220,998
	940,730	**1,115,173**

On March 18, 2025, the Company closed the March 2025 Financing which included the conversion of its Term Loan held by EdgePoint and its affiliates to equity. The Company issued to EdgePoint and its affiliates an aggregate of 69,607,843 Settlement Units. As of March 31, 2025, EdgePoint and its affiliates beneficially owned an aggregate of 93,441,067 Common Shares and 83,324,150 warrants, representing approximately 21.8% of the outstanding Common Shares (approximately 34.5% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

In connection with the Private Placement, certain insiders of the Company subscribed for an aggregate of 3,936,667 Private Placement Units for gross proceeds of $1,181,000.

During 2024, EdgePoint and its affiliates, related parties of the Company, subscribed for 7,692,307 units as part of the June 2024 Financing. As of December 31, 2024, EdgePoint and its affiliates beneficially owned 23,833,224 Common Shares and 13,716,307 warrants, representing approximately 12.8% of the issued and outstanding Common Shares (approximately 18.8% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

In connection with the June 2024 Financing, certain insiders of the Company subscribed for an aggregate of 1,389,140 Units for gross proceeds of $1,083,529.

For the three months ended March 31, 2025, the Company paid interest of $268,896 (three months ended March 31, 2024 - $519,206) to Cymbria Corporation and recognized a loss on the Debt Conversion of $5,982,434 (three months ended March 31, 2024 – $nil).

Segmented Disclosure

The Company operates in one reportable operating segment, being that of the acquisition, exploration and evaluation of mineral properties, in three geographic segments, being Canada, Barbados, and Botswana. The Company's geographic segments are as follows:

	March 31, 2025 $	December 31, 2024 $
Current assets		
Canada	41,731,641	4,066,121
Barbados	441,913	89,446
Botswana	4,522,924	3,462,676
Total	**46,696,478**	**7,618,243**
Exploration and evaluation assets		
Botswana	**9,029,319**	**8,846,821**
Property, plant and equipment		
Botswana	**8,055,668**	**8,488,405**

The Company's exploration and evaluation activities are assessed at the individual project level. The Selebi and Selkirk projects below make up the Botswana geographic segment.

	Three months ended March 31, 2025			
	Selebi $	**Selkirk** $	**Other** $	**Total** $
Drilling	684,092	-	-	684,092
Site operations, administration, and overhead	931,327	42,263	39,656	1,013,246
Infrastructure and equipment maintenance	710,929	-	-	710,929
Geology	567,974	26,535	-	594,509
Mine development	668,619	-	-	668,619
Electricity	863,913	4,356	-	868,269
Engineering and technical studies	842,773	11,679	-	854,452
Geophysics	226,810	-	-	226,810
Freight, tools, supplies, and other consumables	130,195	10,964	-	141,159
Health and safety	93,584	-	-	93,584
Environmental, social and governance	74,408	-	-	74,408
Share-based compensation	199,529	6,171	-	205,700
Total	**5,994,153**	**101,968**	**39,656**	**6,135,777**

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at March 31, 2025.

Financial Instruments

ASC 820 - Fair Value Measurement establishes a three-tier fair value hierarchy. The fair value hierarchy's three tiers are based on the extent to which inputs used in measuring fair value are observable in the market, and are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: One or more significant inputs used in a valuation technique are unobservable in determining fair values of the asset or liability.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature and therefore have been excluded from the table below. A summary of the carrying value and fair value of other financial instruments were as follows:

		March 31, 2025		December 31, 2024	
	Classification	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
DSU liability	Level 1	930,840	930,840	941,664	941,664
Vehicle financing	Level 2	216,454	216,454	246,137	246,137
Term Loan	Level 3	-	-	18,983,212	20,862,478
NSR option liability	Level 2	2,750,000	2,750,000	2,750,000	2,750,000

DSU liability – the fair value of the DSUs is measured using the closing price of the Company's Common Shares at the end of each reporting period.

Vehicle financing – The fair values approximate carrying values as the interest rates are comparable to current market rates.

Term Loan – the Term Loan was carried at amortized cost. The fair value measurement of the Term Loan was based on an income approach.

NSR option liability – The fair value of the NSR options is determined using a valuation model that incorporates such factors as discounted cash flow projections, metal price volatility, and risk-free interest rate. As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at March 31, 2025 and December 31, 2024 is $nil.

The Company's financial instruments are exposed to certain market risks as discussed below:

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and debt facilities. Interest payable on the vehicle financing is based upon a variable base rate, being the lending institution's prime lending rate, plus a fixed rate margin.

Foreign Currency Exchange Risk

The Company primarily operates in Canada, Barbados and Botswana and undertakes transactions denominated in foreign currencies such as the US dollar and Botswana pula, and consequently is exposed to exchange rate risks. The value of cash and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates. Exchange risks are managed by matching levels of foreign currency balances with the related obligations and by maintaining operating cash accounts in non-Canadian dollar currencies.

The following table illustrates the estimated impact a 5% USD and BWP change against the CAD would have on net loss before tax as a result of translating the Company's foreign denominated financial instruments:

Currency	Change	Effect on Net Loss (Earnings) Before Tax $	Change	Effect on Net Loss (Earnings) Before Tax $
USD	+5%	(125,808)	-5%	125,808
BWP	+5%	86,146	-5%	(86,146)

Credit Risk

The Company's credit risk is primarily associated with its cash and cash equivalents. The Company's exposure to credit risk arises from the potential default of the counterparty to its cash and cash equivalents, and the maximum exposure is limited to the carrying value of these instruments. The Company limits exposure to credit risk on its cash and cash equivalents by holding these instruments at highly-rated financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages the liquidity risk inherent in these financial obligations by regularly monitoring actual cash flows against its annual budget, which forecasts expected cash availability to meet future obligations. The Company will defer discretionary expenditures, as required, in order to manage and conserve cash required for current liabilities.

The following table shows the Company's undiscounted contractual obligations as at March 31, 2025:

	Less than 1 year $	1 - 2 years $	2 - 5 years $	Total $
Trade payables and accrued liabilities	6,781,524	438,273	-	7,219,797
Vehicle financing	137,059	66,143	13,252	216,454
	6,918,583	**504,416**	**13,252**	**7,436,251**

The DSU liability of $930,840 is not presented in the above liquidity analysis as management considers it not practical to allocate the amounts into maturity groupings.

Recently Adopted Accounting Pronouncements

ASU 2023-09, Income Taxes: Improvements to Income Tax Disclosures - In December 2023, the Financial Accounting Standards Board ("**FASB**") issued a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The Company adopted the new standard effective January 1, 2025, and will include certain additional disclosures in the notes to its financial statements for the year ending December 31, 2025.

Recently Issued Accounting Pronouncements and Disclosures Not Yet Adopted

ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures - In November 2024, FASB issued an Accounting Standards Update ("**ASU**") which will require entities to provide disaggregated disclosure of specified categories of expenses that are included on the face of the income statement, including: purchases of inventory, employee compensation, depreciation, amortization and depletion. This ASU becomes effective January 1, 2027. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its financial statements.

Operations in Emerging Markets

Guidance from Canadian securities regulators provides that issuers operating in markets deemed to be "emerging markets" include additional disclosure with respect to operations in such markets. The Company has its material properties and operating subsidiaries in Botswana. It is possible that operating in Botswana may expose the Company to a certain degree of political, economic and other risks and uncertainties. For these reasons, the following disclosure is included in contemplation of the guidance in Staff Notice 51-720 – *Issuer Guide for Companies Operating in Emerging Markets*. In conducting its operations in Botswana, the Company has, among other things: (i) engaged and maintained experienced management and technical teams located in Botswana and/or with extensive experience in operating properties in Africa; (ii) certain members of the Board of Directors and management routinely visit the Company's Botswana properties; (iii) retained advisors and technical experts in Botswana including its local counsel, Bookbinder Business Law ("**Bookbinder**"); and (iv) generally maintained robust internal control over its foreign subsidiaries, all of which are more particularly described below.

Subsidiaries and Operations in Botswana

The Company's principal business activity in Botswana is the re-development of the Mines.

The establishment and development of local Botswanan legal entities adds an additional regulatory framework within which the Company operates and is supplementary to the regulatory framework existing in Canada. The Company holds its interest in the Selebi Mines and the Selkirk Mine indirectly through its 100% owned subsidiaries PNRPL and PNGPL, respectively.

The Company's operating entities in Botswana are governed in accordance with applicable local laws and entity-wide governance principles. The directors and management of the Company's operating entities in Botswana are generally comprised of a majority of senior management employees and where required by local laws, local residents, who are generally longstanding local management level employees, or local corporate counsel. In addition, certain members of the Company's management have experience conducting business in Botswana, as detailed below, where the Company has maintained operations since 2021. Operating in Botswana requires greater internal controls and adherence to a regulatory framework which creates challenges in relation to decision-making, communication, and compliance. The Company has experienced management and has retained legal advisors and consultants to help facilitate adherence to regulatory requirements in order to meet this challenge.

Experienced Board and Management

In addition to their experience with the Company, the Board of Directors and management also has extensive experience operating and managing investments and projects in Africa. Furthermore, they bring diverse expertise in areas such as global strategy, finance, exploration, technology, and corporate development. Their collective experience spans several decades and includes successful ventures in both public and private sectors. Certain members of the Board of Directors, management and senior officers of the Company have made trips to Botswana to gain a deeper understanding of the Company's operations and projects as well as to impart their experience and knowledge of the local business, culture and practices to the other members of the Board of Directors and officers.

Through the recently closed financing transaction (see "*Liquidity & Capital Resources – Financings*"), the Company has added further expertise to the Board of Directors and management team. The Company's new Chief Executive Officer and Director, Mr. Morgan Lekstrom, has direct mine redevelopment experience in Africa through a previously held role with Golden Star Resources in supporting the redevelopment of an underground mine in Ghana, West Africa. Mr. Lekstrom has a diverse background and an established track record of delivering successes, including most recently, the successful building of NexGold Mining Corp., creating a near term development company with a clear path to building two new gold mines.

The Company also relies on the expertise of its local Botswana-based personnel, Mr. Borris Kamstra, Mr. Kneipe Setlhare, and Mr. Karabo Monepe, all of whom have extensive mining and government relations experience in Botswana. These individuals are in regular contact with management and attend regular management meetings. Below are details of their experience as it relates to the Company's Botswanan operations as well as the local context more broadly.

- Mr. Boris Kamstra is the COO of Premium Resources International Ltd. and the local African seasoned leader in the mining industry, with over 25 years of experience in senior and executive roles. Boris is South African and has worked his entire career within Sub-Saharan Africa. Most recently, he was the CEO of Alphamin Resources (TSXV:AFM) as well as the Johannesburg Stock Exchange. He was instrumental in bringing the mine located in North Kivu DRC into full operation from a greenfield exploration program.

- Mr. Kneipe Setlhare is a mining engineer with over 15 years of experience in mining operations management. He acts as the Company's country director whose role is to oversee the Company's activities in Botswana. As country director, Mr. Setlhare ensures that the Company meets all requirements to maintain compliance with government regulations, obtain necessary approvals in a timely manner and manages the relationships with local communities. Mr. Setlhare has had previous roles at BCL and Discovery Metals Limited. His most recent role was as Executive Country Manager at Giyani Metals Corp., a public company listed on the Toronto Stock Exchange. In these roles, Mr. Setlhare has been involved in early-stage exploration, preliminary economic assessment, feasibility studies, mine development and commissioning, mine asset acquisitions and disposals.

- Mr. Karabo Monepe is currently the Senior Controller in the Company's Botswanan operations. He graduated from the University of Botswana in 2005 with a Bachelor's degree in Accounting. Mr. Monepe also possesses an ACCA qualification. He has substantial experience in planning and analysis, financial management and controls, financial reporting, auditing, and banking, acquired from previous roles at Laurelton Diamonds Inc. and Expresscredit Ltd.

- The Company's technical, metallurgical and ESG teams (which includes, among others, Sharon Taylor, Peter Lightfoot, Gerry Katchen, Phillip Mackey and Norm Lotter) also have significant experience with international projects, particularly in Africa (including experiences with BCL specifically or involved in projects in Botswana and Africa in general).

Overall, the Company benefits from and relies on the collective wealth of expertise and experience in the Company's business and operations in Botswana of its Board of Directors, management, locally based personnel and technical teams.

Use of and Reliance on Experts and Local Advisors

The Company has retained Bookbinder, a Botswanan law firm to advise on various corporate and regulatory legal issues, including the Company's right to conduct business in Botswana, title verification over the Botswanan assets, and has relied on advice from Bookbinder with respect to such matters. Additionally, the Company has retained engineering and geoscientific services firms including SRK Consulting, SLR Consulting, DRA Global, SGS Mineral Services, and Expert Process Solutions. The Company ensures that any such counsel or provider retained has their credentials vetted and referenced, with considerable diligence and adherence to local licences, professional associations, and regulators.

The Company's officers and Board of Directors benefit from and rely on the advice and guidance provided by its Botswanan legal advisor as well as personnel based in Botswana of new developments in local mining regimes and new requirements that come into force from time to time, as they pertain to and affect the Company's business and operations in Botswana. Any material developments are subject to oversight and discussion by the Board of Directors.

Language, Cultural Differences and Business Practices

English is the official language of Botswana, in which the Audit and Risk Management Committee of the Company and the Company's external auditors are proficient. The most widely spoken language in Botswana is Setswana. The languages spoken by the board, management and technical team of the Company and its subsidiaries include Afrikaans, English and Setswana.

The financial records of the Company and both PNGPL and PNRPL, existing under the laws of Botswana are maintained in English. The Company does not believe that any material language or cultural barriers exist.

Related Parties

The Company is subject to Canadian and United States securities laws and accounting rules with respect to approval and disclosure of related party transactions and has policies in place which it follows to mitigate risk associated with potential related party transactions. The Company may transact with related parties from time to time, in which case such related party transaction may require disclosure in its consolidated financial statements and in accordance with relevant securities laws.

Risk Management and Disclosure

The Company has implemented a system of corporate governance, internal controls over financial matters, and disclosure controls and procedures that apply to the Company and its subsidiaries, which are overseen by the Board of Directors and enacted by senior management of the Company. Executive management of the Company review the financial reporting of its Botswanan subsidiaries, audited by BDO in Botswana, as part of preparing its consolidated financial reporting, and MNP LLP, the Company's external independent auditors, audit the consolidated financial statements under the oversight of the Audit and Risk Management Committee. In addition, management of each subsidiary entity reviews, on an annual basis, the financial activities of local operations, which includes a review of variances and trend analysis against approved budgets. These annual reviews are also part of routine discussions between the management of the subsidiary entities and the Company. As such, the Company's Board of Directors and management have insight into its subsidiaries' monthly operations and finances and can provide effective oversight of subsidiary level financial reporting and operations.

In general, the board of directors of each subsidiary entity is responsible for maintaining good corporate governance practices and risk controls. Board members and management of the Company regularly discuss business operations and risk management practices with directors and management of each subsidiary entity.

Internal Controls and Corporate Records

The Company prepares its consolidated financial statements on a quarterly and annual basis, using US GAAP and in accordance with relevant securities legislation. The Company implements internal controls over the preparation of its financial statements and other financial disclosures, including its MD&A, to provide reasonable assurance that its financial reporting is reliable. These systems of internal control over financial reporting, and disclosure controls and procedures are designed to ensure that, among other things, the Company has access to material information about its subsidiaries.

In order for the Company's CEO and CFO to be in a position to attest to the matters addressed in the quarterly and annual certifications required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting. This is done to provide assurance that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company. Additionally, material information from the Company's subsidiaries is prepared with input from the responsible officers and employees so that it can be available for review by the CEO and CFO in a timely manner.

The Company maintains its bank accounts in Botswana with Absa Group Limited, a long-established commercial bank. The account is funded on an as-needed basis, and only when expenditures are to be made in-country. Any requests for funding in Botswana must be specific and supported by documentation. The majority of the Company's funds are kept with the Royal Bank of Canada or the Bank of Montreal, each of which is a major Canadian chartered bank, until such time funds are required to be expended in Botswana. Funds advanced to the Botswana bank are subject to strict internal controls, which includes approvals by the Company in Canada and the involvement of local country directors in Barbados and Botswana.

PNGPL and PNRPL's corporate records are managed by Company Formations (PTY) Ltd in Gaborone, Botswana. BDO Services (Pty) Ltd, an international professional services firm with a local office in Botswana, has undertaken PNGPL and PNRPL's tax administration services.

This comprehensive approach to subsidiary management and governance ensures that the Company and its subsidiaries operate under a unified strategic vision, with robust controls in place for financial management and corporate governance.

Risks and Uncertainties

Overview

The business of the Company being the exploration and evaluation of mineral properties in Botswana and Canada is speculative and involves a high degree of risk. These risks may have a material and adverse impact on the future operations, financial performance and condition of the Company and the value of the Common Shares. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

Readers are encouraged to read and consider the risk factors which are more specifically described, *inter alia*, in this MD&A (see *"Financial Instruments"*, *"Operations in Emerging Markets" and "Cautionary Note Regarding Forward-Looking Statements"*). Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in the forward-looking statements relating to the Company. Readers are also encouraged to review other publicly filed disclosure regarding the Company, which are available on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile.

The risks and uncertainties discussed in this MD&A are not the only ones facing the Company. In evaluating an investment in the Company, the risks and uncertainties described below should be carefully considered. If any such risks actually occur, the business, financial condition and/or liquidity and results of operations of the Company could be materially adversely affected. In this event, the value of the Common Shares could decline and shareholders could lose all or part of their investment.

Further, the Company's view of risks is not static, and readers are cautioned that there can be no assurance that all risks to the Company, at any point in time, can be accurately identified, assessed as to significance or impact, managed or effectively controlled or mitigated. There can be additional new or elevated risks to the Company that are not described herein or in the Company's public filings to date.

Risk factors

Economics of Developing Mineral Properties

Substantial expenses are required to establish and upgrade mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence commercial production.

Negative Operating Cash Flow and Reliance on Additional Financing to Maintain and Continue Operations

The Company has negative cash flow from operations. As a result of the expected expenditures to be incurred by the Company for the exploration and advancement of the Company's material projects, the Company anticipates that negative operating cash flows will continue until one or both of the Company's material projects enters commercial production (if at all). There can be no assurance that the Company will generate positive cash flow from operations in the future.

The Company will require additional capital in order to fund its future activities for its material projects and maintain and grow its operations. Furthermore, additional financing, whether through the issue of additional equity and/or debt securities and/or project level debt, will be required to continue the development of the Company's material projects and there is no assurance that additional capital or other types of financing will be available or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. Should the Company require additional capital to continue its operations, failure to raise such capital could result in the Company ceasing operations.

From time to time, the Company may issue new shares, seek debt financing, dispose of assets, or enter into transactions to acquire assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Failure to obtain additional financing or to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

Lack of Established Mineral Reserves

The Company is a mineral exploration and development company that is focused on the redevelopment of the previously producing Mines. To that end, the Company's properties have no established mineral reserves at this time. While the Selebi and Selkirk projects have mineral resource estimates in accordance with NI 43-101, the Company has not yet established any proven or probable mineral reserves on the Selebi Mines or Selkirk Mine projects. The lack of established mineral reserves means that the economic viability of the Selebi and Selkirk projects has not been confirmed. There is no assurance that further exploration will lead to the discovery of an economically viable mineral deposit.

Further, there is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon the development and commercial mining of economically viable mineral deposits, which in itself is subject to numerous risk factors.

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish resources and reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that current work programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its work programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations.

Mineral Exploration and Development

The Company's projects are in their exploration and evaluation stages. The exploration of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge.

Most exploration projects do not result in the discovery of commercially-mineralized deposits. The commercial viability of exploiting any precious or base-metal deposit is dependent on a number of factors including infrastructure and governmental regulation, in particular those relating to environment, taxes and royalties. No assurance can be given that minerals will be discovered of sufficient quality, size and grade on any of the Company's properties to justify a commercial operation.

Development of the Company's properties will occur only after obtaining satisfactory exploration results. Although the Company's properties were past producing, few properties which are explored are ultimately developed into economically viable operating mines. There is no assurance that the Company's mineral exploration activities will result in the discovery of a body of commercial ore on its exploration properties. Several years may pass between the discovery and development of commercial mineable mineralized deposits.

Exploration projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), impact of health epidemics and other outbreaks of communicable diseases and other unanticipated interruptions.

Uninsured Risk and Hazards

Mining is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Such risks and hazards might impact the Company's business. Consequently, many of the foregoing risks and hazards could result in damage to, or destruction of, the Company's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of exploration or other activities, delay in or inability to receive required regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. The Company may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or against which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to the Company.

Volatility of Common Share Price

The price of the Company's Common Shares may be affected by a number of factors, including global macroeconomic developments and market perceptions of the attractiveness of particular industries and location of the Company's assets, which may increase the volatility of the Company's Common Share prices. The price of the Company's Common Shares will also be affected by the Company's financial conditions or results of operations as reflected in its liquidity position and earnings reports.

Other factors unrelated to the Company's operations and performance that may have an effect on the price of the Company's Common Shares include: reduced trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Company's Common Shares that persists for a significant period of time could cause the Company's securities to be delisted, further reducing market liquidity.

As a result of any of these factors, the market price of the Company's Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The advancement of the Company's properties is dependent on the future prices of minerals and metals. As well, should any of the Company's properties eventually enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of minerals and metals.

Base and precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, actual and expected macroeconomic and political conditions, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of base and precious metals production, the availability and costs of substitutes, investments by commodity funds and other actions of participants in the commodity markets. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of base and precious metals are generally quoted), and political developments. The effect of these factors on the prices of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial condition and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration and evaluation activities.

Governmental Regulation

Exploration, development, and operations on the Company's properties will be affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. The Company is at the exploration and evaluation stages on its material properties. Exploration on the Company's properties requires responsible best-exploration practices to comply with the Company's policies, government regulations, and maintenance of claims and tenure.

If any of the Company's projects advance to the development stage, those operations will also be subject to various laws concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Permits, Licences and Approvals

The operations of the Company require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its mining activities or advance its mineral properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Environmental Regulations

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which the Company operates. Environmental legislation is evolving in a manner which has been subject to stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property. The Company has or will, as applicable, adopt environmental practices designed to ensure that it will comply with or exceed all environmental regulations currently applicable to it.

Changes in Tax Legislation or Accounting Rules Could Affect the Profitability of the Company

Changes to, or differing interpretation of, taxation laws in Canada, Barbados, Botswana, or any of the countries in which the Company's assets or relevant contracting parties are located, could result in some or all of the Company's profits being subject to additional taxation. New taxation rules or accounting policies enacted could result in the Company's profits being subject to additional taxation and could have a material adverse effect on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make acquiring additional resource properties by the Company less attractive to counterparties. Such changes could adversely affect the Company's ability to acquire new assets or make future investments.

Financial Risk

The Company is also exposed to risks relating to its financial instruments and foreign currency. The Company operates in Canada, Barbados and Botswana and undertakes transactions denominated in foreign currencies such as United States dollars, Euros, and the Botswanan pula, and consequently is exposed to exchange rate risks. The Company is also exposed to equity price risk; the movements in individual equity prices or general movements in the level of the stock market may potentially have an adverse impact on the Company’s earnings. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken.

Risks of Doing Business Outside Canada

The Company's material mineral projects are located in the Republic of Botswana. The Company's anticipated operations outside North America could subject the Company to a variety of additional risks that may negatively impact its business and operations including any of the following: changes in rules and regulations (including required royalties); failure of local parties to honour contractual relations; delays in obtaining or the inability to obtain necessary governmental permits; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; economic or tax policies; tariffs and trade barriers; regulations related to customs and import/export matters; longer payment cycles; tax issues; currency fluctuations and exchange controls; rates of inflation; challenges in collecting receivables; cultural and language differences; employment regulations; crimes, strikes, riots, civil disturbances, terrorist attacks, and wars; and deterioration of political relations with Canada or other governments or sanctions imposed by Canada or other governments. There will also be currency exchange risks in connection with the operations of the Company's foreign mineral assets, including the Mines.

In addition, Botswana is considered an emerging market. Emerging market investments generally pose a greater degree of risk than investments in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. Further, the current, or a future government may adopt substantially different policies, take arbitrary action which might halt exploration or production, re-nationalize private assets or cancel contracts, or cancel mining or exploration rights, any of which could result in a material and adverse effect on the Company's results of operations and financial condition. For details on the Company's operations in Botswana, please refer to the section entitled *"Operations in Emerging Markets"* in this MD&A.

Dependence on Business and Technical Expertise of Management Team

The Company is dependent on the business and technical expertise of its management team. If it is unable to rely on this business and technical expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of the operations of the Company could be materially adversely affected until such time as the expertise could be replaced.

Acquisition of Botswanan Assets

On January 31, 2022, the Company closed the acquisition of the Selebi project. However, pursuant to the terms of the acquisition, the Company has to comply with certain milestone payments, which if not satisfied, will result in the Selebi project reverting to the BCL Liquidator. There are approximately US$55 million in contingent post-closing milestone payments due to the BCL Liquidator in connection with the Selebi project, with (i) US$25 million due on January 31, 2026, and (ii) another US$30 million due upon the earlier of the commissioning and start of production at the Selebi project or four years from the Selebi mining licence renewal date. The failure of the Company to comply with all the post-closing covenants and contingent milestone payments relating to the Selebi project (if and when those milestones are achieved), could materially adversely affect the business, operations and financial conditions of the Company and impact the market price of the Common Shares. In addition, PREM closed its purchase of the Selkirk Mine in August 2022.

Share Capital Information

As of the date of this MD&A, the fully diluted share capital of the Company, including Common Shares issuable upon exercise of securities of the Company, is as follows:

Securities	Common Shares
Common Shares	428,986,474
Preferred shares[(1)]	13,131
DSUs	2,164,744
Warrants	188,579,919
Stock options	20,813,771
RSUs	4,175,000
Fully diluted share capital	**644,733,039**
(1): The 118,186 outstanding preferred shares are convertible into Common Shares at a 9:1 ratio.	

Disclosure Controls and Procedures

Management has established processes to ensure sufficient information is provided to them in support of representations that management has exercised reasonable diligence that: (a) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements; and (b) the Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

Cautionary Note Regarding Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking information (within the meaning of applicable Canadian securities legislation) that involve risks and uncertainties. In this MD&A, forward-looking information includes, but is not limited to: ongoing payments and covenants with respect to the Selebi acquisition and the Selkirk acquisition; the Company's anticipated plans and work program at the Mines, including the anticipated costs in respect thereof and the Company's ability to finance such anticipated costs; the timing and ability for the Company to achieve business and project milestones and anticipated remaining costs in respect thereof; the timing and ability to achieve the milestones in the Selebi Technical Report and Selkirk Technical Report; the utility of existing infrastructure at the Selebi Mines; the Company's relationships with local communities, indigenous groups and other stakeholders at the project level; the Company's ability to convert and upgrade mineral resources; performance and results of operations; the Company's liquidity, including capital resources, going concern, financings and working capital; the Company's ability to operate in Botswana as an emerging market; the Company's ability to manage risks; the establishment, estimation and assumptions underlying any mineral reserves and mineral resources (if at all); the timing and amount of estimated future capital expenditures; the ability of exploration activities (including drill results) to accurately predict mineralization; possible expansion potential down-dip and down-plunge of the existing Selebi Mines mineral resource estimate; management's belief (and underlying assumptions related thereto) that the Selebi Main and Selebi North deposits are connected at depth; the relationships between, and continuity of, the various deposits (if any); the results of the exploration activities and drill programs at the Selebi Mines, Selkirk Mine and other properties of the Company; the anticipated results of proposed metallurgical work, including the identification of optimal mineral processing methods; the proposed development of a dual-purpose exploration drift from Selebi North and the timing thereof; the potential of XRT ore sorting to have a significant impact on waste rock removal and the potential application of XRT at the Mines; the ability of the Company to implement its drilling, geoscience and metallurgical work on its properties and work plans generally; currency fluctuations; requirements for additional capital; the ability of the Company to obtain additional capital (if at all), including on terms satisfactory to the Company; the Company's plans and timeline to re-develop the Mines and the drilling planned by the Company; the Company's operations (and related risks) in Botswana; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims, limitations on insurance coverage, the timing and possible outcome of pending litigation and other statements that are not historical facts. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such risks and other factors that could cause actual results to differ materially from those anticipated in forward-looking information are described, *inter alia*, in this MD&A (see "*Financial Instruments", "Risk and Uncertainties*" *and* "*Operations in Emerging Markets*"). Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this MD&A speak only as of the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Technical Information

Selebi Technical Report

The scientific and technical information in this MD&A relating to the Selebi Mines is supported by the technical report entitled *"NI 43-101 Technical Report, Selebi Mines, Central District, Republic of Botswana"*, dated September 20, 2024 (with an effective date of June 30, 2024), and prepared by SLR Consulting (Canada) Ltd. for the Company, in accordance with NI 43-101. Reference should be made to the full text of the Selebi Technical Report, including the assumptions, limitations and qualifications contained therein, as well as the data verification relating to the historic data compilation presented in this MD&A, and is available electronically on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile.

Selkirk Technical Report

The scientific and technical information in this MD&A relating to the Selkirk Mines is supported by the technical report entitled *"NI 43-101 Technical Report, Selkirk Nickel Project, North East District, Republic of Botswana"*, dated January 10, 2025 (with an effective date of November 1, 2024), and prepared by SLR Consulting (Canada) Ltd. for the Company, in accordance with NI 43-101. Reference should be made to the full text of the Selkirk Technical Report, including the assumptions, limitations and qualifications contained therein, as well as the data verification relating to the historic data compilation presented in this MD&A, and is available electronically on SEDAR+ (https://www.sedarplus.ca/) under the Company's issuer profile.

Qualified Person and Other Technical Information

The scientific and technical information in this MD&A has been reviewed and approved by Sharon Taylor, Vice President exploration of the Company, who is a "qualified person" for the purposes of NI 43-101.

The scientific and technical information in this MD&A relating to the assets of the Company in Canada has been prepared by or under the supervision of Peter C. Lightfoot, Ph.D., P. Geo., the Consulting Chief Geologist of the Company, who is a "qualified person" for the purposes of NI 43-101. Dr. Lightfoot has reviewed and approved the disclosure in this MD&A relating to the assets of the Company in Canada.